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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)

CONTINUING CONNECTED TRANSACTIONS

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On 4 December 2013, the following CCT Agreements were made between members of the Group and connected persons of the Group:

1. the CTT Master Entrusted Pharmaceutical Processing Agreement for the provision of processing services of sub-contract production for lyophilized formulation by CTT (as service provider) for NJCTT;
2. the Master Technical Services Agreements for the provision of research and development services, which consist of:
 - (a) the 2013 JQ Master Technical Services Agreement between CTT (as service provider) and Jiangsu Qingjiang; and
 - (b) the 2013 NJCTT Master Technical Services and Tenancy Agreement between CTT (as service provider) and NJCTT;
3. the Lease Agreements of CTT for the lease of office premises and carpark spaces, which consist of:
 - (a) the CTT-Jiangsu Fenghai Tenancy Agreement between CTT (as landlord) and Jiangsu Fenghai (as tenant); and
 - (b) the 2013 NJCTT Master Technical Services and Tenancy Agreement between CTT (as landlord) and NJCTT (as tenant);

4. the LYG Hualing-LYG Runzhong Tenancy Agreement for the lease of an industrial complex, roads and facilities between LYG Hualing (as landlord) and LYG Runzhong (as tenant);
5. the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements for the purchase of medicines, which consist of:
 - (a) the Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement between Jiangsu Fenghai Medicines (as purchaser) and Shanghai Tongyong (as supplier); and
 - (b) the Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement between Jiangsu Fenghai (as purchaser) and LYG Runzhong (as supplier);
6. the NJCTT Master Pharmaceuticals Purchase Agreements for the purchase of medicines, which consist of:
 - (a) the NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement between NJCTT (as purchaser) and LYG Runzhong (as supplier); and
 - (b) the NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement between NJCTT (as purchaser) and Jiangsu Qingjiang (as supplier);
7. the LYG Tianqing Master Pharmaceuticals Purchase Agreements for the purchase of medicines, which consist of:
 - (a) the 2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement between LYG Tianqing (as purchaser) and Jiangsu Fenghai Medicines (as supplier);
 - (b) the 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement between LYG Tianqing (as purchaser) and Jiangsu Fenghai (as supplier); and
 - (c) the LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement between LYG Tianqing (as purchaser) and Jiangsu Qingjiang (as supplier);

8. the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements for the purchase of medicines, which consist of:
 - (a) the Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement between Suzhou Xingwei (as purchaser) and Jiangsu Fenghai (as supplier);
 - (b) the Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement between Suzhou Xingwei (as purchaser) and Jiangsu Qingjiang (as supplier);
 - (c) the Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement between Suzhou Xingwei (as purchaser) and LYG Tianqing (as supplier); and
 - (d) the Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement between Suzhou Xingwei (as purchaser) and NJCTT (as supplier);
9. the NJCTT Master Pharmaceuticals Supply Agreements for the supply of medicines, which consist of:
 - (a) the NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement between NJCTT (as supplier) and Jiangsu Fenghai Medicines (as purchaser);
 - (b) the NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement between NJCTT (as supplier) and Shaoyang Hospital (as purchaser); and
 - (c) the 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement between NJCTT (as supplier) and LYG Tianqing (as purchaser);
10. the Lease Agreements of the Company for the lease of office premises, which consist of:
 - (a) the 2013 Billion Source-Sino Tenancy Agreement between Billion Source (as landlord) and the Company (as tenant); and
 - (b) the Sino-Ledo Properties Tenancy Agreement between Ledo Properties (as landlord) and the Company (as tenant);

11. the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement for the supply of medicines between LYG Hualing (as supplier) and LYG Runzhong (as purchaser); and
12. the CTOCRD Master Consultancy Services Agreement for the provision of consultancy services by CTP Investment (as service provider) to CTOCRD.

The transactions under each of the following group of agreements are to be aggregated respectively in accordance with Rule 14A.27 of the Listing Rules:

1. the Master Technical Services Agreements;
2. the Lease Agreements of CTT;
3. the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements;
4. the NJCTT Master Pharmaceuticals Purchase Agreements;
5. the LYG Tianqing Master Pharmaceuticals Purchase Agreements;
6. the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements;
7. the NJCTT Master Pharmaceuticals Supply Agreements; and
8. the Lease Agreements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Each of CTT, Jiangsu Fenghai, Jiangsu Fenghai Medicines, NJCTT, Jiangsu Qingjiang, LYG Runzhong, LYG Hualing, LYG Tianqing, Shaoyang Hospital, Shanghai Tongyong and Suzhou Xingwei is an indirectly and non-wholly owned subsidiary of the Company. CTP Investment is a wholly-owned subsidiary of the Company.

Given that Jiangsu Agribusiness has a 33.5% equity interests in CTT, which is a 60% indirectly-owned subsidiary of the Company, Jiangsu Agribusiness is a substantial shareholder of CTT and is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that NJCTT is a 51% owned subsidiary of CTT, and is owned as to 14.6% by Jiangsu Agribusiness, NJCTT is an associate of Jiangsu Agribusiness and a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Jiangsu Qingjiang is a 50.98% owned subsidiary of CTT, and is owned as to 15.01% by Jiangsu Agribusiness, Jiangsu Qingjiang is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that each of LYG Runzhong, LYG Hualing and LYG Tianqing is a wholly owned subsidiary of CTT, which is owned as to 33.5% owned by Jiangsu Agribusiness, each of LYG Runzhong, LYG Hualing and LYG Tianqing is an associate of Jiangsu Agribusiness and a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Further, given that (1) Jiangsu Fenghai is a 50.98% owned subsidiary of CTT and is owned as to 14.71% by Jiangsu Agribusiness, (2) Jiangsu Fenghai Medicines is a wholly-owned subsidiary of Jiangsu Fenghai, (3) Ace Elite, an indirect wholly-owned subsidiary of the Company, owns 25% of Jiangsu Fenghai; and (4) CTP (LYG), a wholly-owned subsidiary of the Company, owns 5.31% of Jiangsu Fenghai, both Jiangsu Fenghai and Jiangsu Fenghai Medicines are connected persons of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Billion Source is owned as to 50% by each of Mr. Tse, the chairman and a Director, and Ms. Cheng, also a Director, Billion Source is an associate of Mr. Tse and Ms. Cheng, and is thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Ledo Properties is owned as to 99% by Ms. Cheng, Ledo Properties is an associate of Ms. Cheng and is thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Mr. Tse is the nephew of the Chearavanont Shareholders who, together with their associates, are on an aggregate basis interested in not less than 50% of the equity interests of Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., Shanghai Kinghill Ltd. and Chia Tai Land Co., Ltd., which collectively own 69.9% of the equity interest in CTOCRD. Accordingly, each of Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., Shanghai Kinghill Ltd. and Chia Tai Land Co., Ltd. and CTOCRD is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

The Board considers that Mr. Tse, Ms. Cheng, Mr. Zhang, Mr. Tse Hsin and Mr. Tao Huiqi, being Directors, have material interest in the transactions of the CCT Agreements, and accordingly they abstained from voting on the relevant Board resolution(s).

As each of the aggregated applicable percentage ratios for the respective annual caps under the CTT Master Entrusted Pharmaceutical Processing Agreement, the Master Technical Services Agreements, the Lease Agreements of CTT, the LYG Hualing-LYG Runzhong Tenancy Agreement, the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Purchase Agreements, the LYG Tianqing Master Pharmaceuticals Purchase Agreements, the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Supply Agreements, the Lease Agreements of the Company, the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement and the CTOCRD Master Consultancy Services Agreement are less than 5%, they constitute continuing connected transactions of the Company which are subject to the disclosure requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

I. ENTRUSTED PHARMACEUTICAL PROCESSING BY CTT

CTT Master Entrusted Pharmaceutical Processing Agreement

Date

4 December 2013

Parties

1. CTT, an indirectly-owned subsidiary of the Company (as service provider); and
2. NJCTT, a connected person of the Company.

Subject matter

Processing of sub-contract production for lyophilized formulation by CTT for NJCTT on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the provision of processing services of sub-contract production for lyophilized formulation by CTT for NJCTT under the CTT Master Entrusted Pharmaceutical Processing Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB10 million (approximately HK\$12.6 million), RMB10 million (approximately HK\$12.6 million) and RMB10 million (approximately HK\$12.6 million), respectively. The caps have been determined with reference to (i) the estimate of NJCTT's demand for processing in order to maintain its competitiveness in the PRC pharmaceutical industry; and (ii) CTT's estimate of the increase in the market price/costs of processing services in line with increase of consumer prices in the PRC generally and volume growth in future.

II. PROVISION OF TECHNICAL SERVICES BY CTT

The transactions under the following two agreements, namely the 2013 JQ Master Technical Services Agreement and the 2013 NJCTT Master Technical Services and Tenancy Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. 2013 JQ Master Technical Services Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the provision of research and development services by CTT to Jiangsu Qingjiang under the 2010 JQ Master Technical Services Agreement. As such agreement will expire by the end of this year, the Company has, on 4 December 2013, entered into the 2013 JQ Master Technical Services Agreement in relation to the provision of research and development services by CTT to Jiangsu Qingjiang for the period from 1 January 2014 to 31 December 2016.

Date

4 December 2013

Parties

1. CTT, an indirectly-owned subsidiary of the Company (as service provider); and
2. Jiangsu Qingjiang, a connected person of the Company.

Subject matter

Provision of research and development services for improvement and application of orthopedic medicines by CTT to Jiangsu Qingjiang on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to CTT than those available from Independent Third Parties.

Payment is settled in June of each year.

Annual Caps

For the two financial years ended 31 December 2012 and for the eight months ended 31 August 2013, no service was provided by CTT to Jiangsu Qingjiang and, hence, no consideration was paid by Jiangsu Qingjiang to CTT.

The annual value of the provision of technical services by CTT to Jiangsu Qingjiang under the 2013 JQ Master Technical Services Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB20 million (approximately HK\$25.3 million), RMB30 million (approximately HK\$37.9 million) and RMB50 million (approximately HK\$63.2 million), respectively. The caps have been determined with reference to (i) the estimate of Jiangsu Qingjiang's demand for research and development services for improvement and application of orthopedic medicines in order to procure its expansion and to maintain its competitiveness in the PRC pharmaceutical industry; and (ii) CTT's estimate of the increase in the market price/costs of technical services in line with increase of consumer prices in the PRC generally and volume growth in future.

B. 2013 NJCTT Master Technical Services and Tenancy Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the provision of research and development services by CTT to NJCTT under the 2010 NJCTT Master R&D Services Agreement. As such agreement will expire by the end of this year, the Company has, on 4 December 2013, entered into the 2013 NJCTT Master Technical Services and Tenancy Agreement in relation to the provision of research and development services by CTT to NJCTT for the period from 1 January 2014 to 31 December 2016.

Date

4 December 2013

Parties

1. CTT, an indirectly-owned subsidiary of the Company (as service provider); and
2. NJCTT, a connected person of the Company.

Subject matter

Provision of research and development services for improvement and application of cardio-cerebral medicines by CTT to NJCTT on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to CTT than those available from Independent Third Parties.

Payment is settled in June of each year.

Annual Caps

For the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013, no service was provided by CTT to NJCTT and, hence, no consideration was paid by NJCTT to CTT.

The annual value of the provision of research and development services by CTT to NJCTT under the 2013 NJCTT Master Technical Services and Tenancy Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB35.5 million (approximately HK\$44.9 million), RMB35.5 million (approximately HK\$44.9 million) and RMB35.5 million (approximately HK\$44.9 million), respectively. The caps have been determined with reference to (i) the estimate of NJCTT's demand for research and development services for cardio-cerebral medicines in order to maintain its competitiveness in the PRC pharmaceutical industry; and (ii) CTT's estimate of the increase in the market price/costs of research and development services in line with increase of consumer prices in the PRC generally and volume growth in future.

III. LEASE AGREEMENTS OF CTT

The transactions under the following two agreements, the CTT-Jiangsu Fenghai Tenancy Agreement and the 2013 NJCTT Master Technical Services and Tenancy Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. CTT-Jiangsu Fenghai Tenancy Agreement

Date

4 December 2013

Parties

1. CTT, an indirectly-owned subsidiary of the Company (as landlord); and
2. Jiangsu Fenghai, a connected person of the Company (as tenant).

Property

Lease of (i) premises at Rooms 201, 203, 204, 205, 206, 208, 2/F, Xuzhuang Software Park 699 – no. 8, Block 9#, Xuanwu District, Nanjing, Jiangsu, PRC; and (ii) 4 car parking spaces on ground floor and the ancillary facilities.

Term

From 1 January 2014 to 31 December 2016.

Payment is settled in January of each year.

Rental and Annual Caps

An annual rent is payable in January of each year. The maximum amount payable to CTT, based on the agreed annual rent, will not exceed RMB0.9 million (approximately HK\$1.1 million), RMB0.9 million (approximately HK\$1.1 million) and RMB0.9 million (approximately HK\$1.1 million), respectively, for each of the three financial years ending 31 December 2016.

The annual caps for the CTT-Jiangsu Fenghai Tenancy Agreement represented by the annual rent have been determined by reference to the current market rental rate of other similar properties in the neighbouring area in Nanjing, and the trend of the general PRC property market in comparable areas.

B. 2013 NJCTT Master Technical Services and Tenancy Agreement**Date**

4 December 2013

Parties

1. CTT, an indirectly-owned subsidiary of the Company (as landlord); and
2. NJCTT, a connected person of the Company (as tenant).

Property

Lease of premises at No. 9 Huiou Road, Economic-Technological Development Area, Nanjing, PRC.

Term

From 1 January 2014 to 31 December 2016.

Payment is settled in January of each year.

Rental and Annual Caps

An annual rent is payable in January of each year. The maximum amount payable to CTT, based on the agreed annual rent, will not exceed RMB4.5 million (approximately HK\$5.7 million), RMB4.5 million (approximately HK\$5.7 million) and RMB4.5 million (approximately HK\$5.7 million), respectively, for each of the three financial years ending 31 December 2016.

The annual caps for the tenancy arrangement under the 2013 NJCTT Master Technical Services and Tenancy Agreement represented by the annual rent have been determined by reference to the current market rental rate of other similar properties in the neighbouring area in Nanjing city, and the trend of the general PRC property market in comparable areas.

IV. LEASE AGREEMENT OF LYG HUALING

LYG Hualing-LYG Runzhong Tenancy Agreement

Date

4 December 2013

Parties

1. LYG Hualing, a connected person of the Company (as landlord); and
2. LYG Runzhong, an indirectly-owned subsidiary of the Company (as tenant).

Property

Lease of the industrial complex, roads and facilities at No.16 Jinqiao Road, Dapu Industries District, Lianyungang Economic and Technological Development Zone, Lianyungang City, Jiangsu, PRC.

Term

From 1 January 2014 to 31 December 2016.

Payment is settled in January of each year.

Rental and Annual Caps

An annual rent is payable in January of each year. The maximum amount payable to LYG Hualing, based on the agreed annual rent, will not exceed RMB14.2 million (approximately HK\$17.9 million), RMB15.8 million (approximately HK\$20 million) and RMB17.3 million (approximately HK\$21.9 million), respectively, for each of the three financial years ending 31 December 2016.

The annual caps for the LYG Hualing-LYG Runzhong Tenancy Agreement represented by the annual rental have been determined by reference to the current market rental rate of other similar properties in the neighbouring area in Lianyungang city, and the trend of the general PRC property market in comparable areas.

V. PURCHASE OF PHARMACEUTICAL PRODUCTS BY JIANGSU FENGHAI AND JIANGSU FENGHAI MEDICINES

The transactions under the following two agreements, the Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement and the Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Jiangsu Fenghai Medicines, a connected person of the Company (as purchaser); and
2. Shanghai Tongyong, an indirect non-wholly owned subsidiary of the Company (as supplier).

Subject matter

Purchase of dermatology medicines from Shanghai Tongyong by Jiangsu Fenghai Medicines on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to Jiangsu Fenghai Medicines than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of dermatology medicines from Shanghai Tongyong by Jiangsu Fenghai Medicines under the Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB0.8 million (approximately HK\$1 million), RMB1.2 million (approximately HK\$1.5 million) and RMB1.6 million (approximately HK\$2 million), respectively. The caps have been determined with reference to (i) the estimated expansion of Jiangsu Fenghai Medicines' demand for dermatology medicines; (ii) the estimated value of dermatology medicines to be sold by Shanghai Tongyong from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; and (iii) the possible price increases for dermatology medicines in line with increase of consumer prices in the PRC generally and volume growth in future.

B. Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Jiangsu Fenghai, a connected person of the Company (as purchaser); and
2. LYG Runzhong, an indirect non-wholly owned subsidiary of the Company (as supplier).

Subject matter

Purchase of raw materials of medicines for treating diarrhoea and respiratory system diseases from LYG Runzhong by Jiangsu Fenghai on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to Jiangsu Fenghai than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of raw materials of medicines for treating diarrhoea and respiratory system diseases from LYG Runzhong by Jiangsu Fenghai under the Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement for each of the three financial

years ending 31 December 2016 will not exceed RMB4 million (approximately HK\$5.1 million), RMB5 million (approximately HK\$6.3 million) and RMB6 million (approximately HK\$7.6 million), respectively. The caps have been determined with reference to (i) the estimated expansion of Jiangsu Fenghai's demand for raw materials of medicines for treating diarrhoea and respiratory system diseases; (ii) the estimated value of raw materials of medicines for treating diarrhoea and respiratory system diseases to be sold by LYG Runzhong from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; and (iii) the possible price increases for raw materials of medicines for treating diarrhoea and respiratory system diseases in line with increase of consumer prices in the PRC generally and volume growth in future.

VI. PURCHASE OF PHARMACEUTICAL PRODUCTS BY NJCTT

The transactions under the following two agreements, the NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement and the NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. NJCTT, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. LYG Runzhong, a connected person of the Company (as supplier).

Subject matter

Purchase of medicines for treating cardio-cerebral diseases, oncology and anorectal diseases from LYG Runzhong by NJCTT on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of medicines for treating cardio-cerebral diseases, oncology and anorectal diseases from LYG Runzhong by NJCTT under the NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB40 million (approximately HK\$50.5 million), RMB56 million (approximately HK\$70.8 million) and RMB78.4 million (approximately HK\$99.1 million), respectively. The caps have been determined with reference to (i) the estimated expansion of NJCTT's demand for medicines for treating cardio-cerebral diseases, oncology and anorectal diseases; (ii) the estimated value of medicines for treating cardio-cerebral diseases, oncology and anorectal diseases to be sold by LYG Runzhong from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; and (iii) the possible price increases for medicines for treating cardio-cerebral diseases, oncology and anorectal diseases in line with increase of consumer prices in the PRC generally and volume growth in future.

B. NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. NJCTT, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Qingjiang, a connected person of the Company (as supplier).

Subject matter

Purchase of raw materials of oncology medicines from Jiangsu Qingjiang by NJCTT on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Payment is normally settled on 90-day terms.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from the Independent Third Parties.

Annual Caps

The annual value of the purchase of raw materials of oncology medicines from Jiangsu Qingjiang by NJCTT under the NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB2 million (approximately HK\$2.5 million), RMB3 million (approximately HK\$3.8 million) and RMB4 million (approximately HK\$5.1 million), respectively. The caps have been determined with reference to (i) the estimated expansion of NJCTT's demand for raw materials of oncology medicines (ii) the estimated value of raw materials of oncology medicines to be sold by Jiangsu Qingjiang from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; and (iii) the possible price increases for raw materials of oncology medicines in line with increase of consumer prices in the PRC generally and volume growth in future.

VII. PURCHASE OF PHARMACEUTICAL PRODUCTS BY LYG TIANQING

The transactions under the following three agreements, the 2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement, the 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement and the LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. 2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the purchase of oncology medicines from Jiangsu Fenghai Medicines by LYG Tianqing under the 2010 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement. As such agreement will expire by the end of 2013, the parties have entered into the 2013 LYG Tianqing-JFM Pharmaceuticals Purchase Agreement to continue the purchase of such products.

Date

4 December 2013

Parties

1. LYG Tianqing, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Fenghai Medicines, a connected person of the Company (as supplier).

Subject matter

Purchase of oncology medicines from Jiangsu Fenghai Medicines by LYG Tianqing on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Tianqing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

For the two financial years ended 31 December, 2012 and for the 8 months ended 31 August, 2013, the aggregate value of oncology medicines purchased from Jiangsu Fenghai Medicines by LYG Tianqing were approximately RMB0.1 million (approximately HK\$0.1 million), approximately RMB1.3 million (approximately HK\$1.6 million), and approximately RMB0.1 million (approximately HK\$0.1 million), respectively.

The annual value of the purchase of oncology medicines from Jiangsu Fenghai Medicines by LYG Tianqing under the 2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB1.5 million (approximately HK\$1.9 million), RMB2 million (approximately HK\$2.5 million) and RMB2.5 million (approximately HK\$3.2 million), respectively. The caps have been determined with reference to (i) the estimated expansion of LYG Tianqing's demand for oncology medicines; (ii) the estimated value of oncology medicines to be sold by Jiangsu Fenghai Medicines from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; (iii) the possible price increases for oncology medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iv) the aggregate value of the total amount of the historical transactions under the 2010 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement for the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013.

B. 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the purchase of nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines from Jiangsu Fenghai by LYG Tianqing under the 2010 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement. As such agreement will expire by the end of 2013, the parties have entered into the 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement to continue the purchase of such products.

Date

4 December 2013

Parties

1. LYG Tianqing, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Fenghai, a connected person of the Company (as supplier).

Subject matter

Purchase of nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines from Jiangsu Fenghai by LYG Tianqing on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Tianqing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

For the two financial years ended 31 December, 2012 and for the 8 months ended 31 August, 2013, the aggregate value of nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines purchased from Jiangsu Fenghai by LYG Tianqing were approximately RMB3.8 million (approximately HK\$4.8 million), approximately RMB3.6 million (approximately HK\$4.6 million), and approximately RMB4.5 million (approximately HK\$5.7 million), respectively.

The annual value of the purchase of nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines from Jiangsu Fenghai by LYG Tianqing under the 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB12.9 million (approximately HK\$16.3 million), RMB15.3 million (approximately HK\$19.3 million) and RMB18.4 million (approximately HK\$23.3 million), respectively. The caps have been determined with reference to (i) the estimated expansion of LYG Tianqing's demand for nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines; (ii) the estimated value of nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines to be sold by Jiangsu Fenghai from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; (iii) the possible price

increases for nutritious, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iv) the aggregate value of the total amount of the historical transactions under the 2010 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement for the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013.

C. LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. LYG Tianqing, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Qingjiang, a connected person of the Company (as supplier).

Subject matter

Purchase of cardio-cerebral, respiratory system and orthopedic medicines from Jiangsu Qingjiang by LYG Tianqing on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Tianqing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of cardio-cerebral, respiratory system and orthopedic medicines from Jiangsu Qingjiang by LYG Tianqing under the LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB3.3 million (approximately HK\$4.2 million), RMB4 million (approximately HK\$5.1 million) and RMB4.8 million (approximately HK\$6.1 million), respectively. The caps have been determined with reference to (i) the estimated expansion of LYG Tianqing's demand for cardio-cerebral, respiratory system and orthopedic

medicines; (ii) the estimated value of cardio-cerebral, respiratory system and orthopedic medicines to be sold by Jiangsu Qingjiang from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; and (iii) the possible price increases for cardio-cerebral, respiratory system and orthopedic medicines in line with increase of consumer prices in the PRC generally and volume growth in future.

VIII. PURCHASE OF PHARMACEUTICAL PRODUCTS BY SUZHOU XINGWEI

The transactions under the following four agreements, the Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement, the Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement, the Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement and the Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Suzhou Xingwei, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Fenghai, a connected person of the Company (as supplier).

Subject matter

Purchase of infusion solution including mainly invert sugar from Jiangsu Fenghai by Suzhou Xingwei on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to Suzhou Xingwei than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of infusion solution including mainly invert sugar from Jiangsu Fenghai by Suzhou Xingwei under the Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB10 million (approximately HK\$12.6 million), RMB13 million (approximately HK\$16.4 million) and RMB16.9 million (approximately HK\$21.4 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Suzhou Xingwei's demand for infusion solution including mainly invert sugar; (ii) Suzhou Xingwei's estimate of the increase in the market price/costs of supply of infusion solution including mainly invert sugar in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for infusion solution including mainly invert sugar.

B. Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Suzhou Xingwei, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. Jiangsu Qingjiang, a connected person of the Company (as supplier).

Subject matter

Purchase of anti-infectious and endocrinal medicines from Jiangsu Qingjiang by Suzhou Xingwei on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to Suzhou Xingwei than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of anti-infectious and endocrinal medicines from Jiangsu Qingjiang by Suzhou Xingwei under the Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB10 million (approximately HK\$12.6 million), RMB13 million (approximately HK\$16.4 million) and RMB16.9 million (approximately HK\$21.4 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Suzhou Xingwei's demand for anti-infectious and endocrinal medicines; (ii) Suzhou Xingwei's estimate of the increase in the market price/costs of supply of anti-infectious and endocrinal medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for anti-infectious and endocrinal medicines.

C. Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Suzhou Xingwei, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. LYG Tianqing, a connected person of the Company (as supplier).

Subject matter

Purchase of hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines from LYG Tianqing by Suzhou Xingwei on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Tianqing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines from LYG Tianqing by Suzhou Xingwei under the Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB156 million (approximately HK\$197.1 million), RMB202.8 million (approximately HK\$256.3 million) and RMB255 million (approximately HK\$322.2 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Suzhou Xingwei's demand for hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines; (ii) Suzhou Xingwei's estimate of the increase in the market price/costs of supply of hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines.

D. Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement

Date

4 December 2013

Parties

1. Suzhou Xingwei, an indirect non-wholly owned subsidiary of the Company (as purchaser); and
2. NJCTT, a connected person of the Company (as supplier).

Subject matter

Purchase of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines from NJCTT by Suzhou Xingwei on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the purchase of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines from NJCTT by Suzhou Xingwei under the Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB20 million (approximately HK\$25.3 million), RMB26 million (approximately HK\$32.9 million) and RMB33.8 million (approximately HK\$42.7 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Suzhou Xingwei's demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines; (ii) NJCTT's estimate of the increase in the market price/costs of supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines.

IX. SUPPLY OF PHARMACEUTICAL PRODUCTS BY NJCTT

The transactions under the following three agreements, namely the NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement, the NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement and the 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement

Date

4 December 2013

Parties

1. NJCTT, an indirect non-wholly owned subsidiary of the Company (as supplier); and
2. Jiangsu Fenghai Medicines, a connected person of the Company (as purchaser).

Subject matter

Supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Jiangsu Fenghai Medicines on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the provision of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Jiangsu Fenghai Medicines under the NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB9.6 million (approximately HK\$12.1 million), RMB11.6 million (approximately HK\$14.7 million) and RMB15 million (approximately HK\$19 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Jiangsu Fenghai Medicines' demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines; (ii) NJCTT's estimate of the increase in the market price/costs of supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines.

B. NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement**Date**

4 December 2013

Parties

1. NJCTT, a connected person of the Company (as supplier); and
2. Shaoyang Hospital, an indirect non-wholly owned subsidiary of the Company (as purchaser).

Subject matter

Supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Shaoyang Hospital on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to NJCTT than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the provision of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Shaoyang Hospital under the NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB2 million (approximately HK\$2.5 million), RMB2.6 million (approximately HK\$3.3 million) and RMB3.5 million (approximately HK\$4.4 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of Shaoyang Hospital's demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines; (ii) NJCTT's estimate of the increase in the market price/costs of supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines.

C. 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the supply of cardio-cerebral, digestive system, oncology and anti-infectious medicines from NJCTT to LYG Tianqing under the 2010 LYG Tianqing-NJCTT Master Pharmaceuticals Supply Agreement. As such agreement will expire by the end of 2013, the parties have entered into the 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement to continue the purchase of such products.

Date

4 December 2013

Parties

1. NJCTT, an indirect non-wholly owned subsidiary of the Company (as supplier); and
2. LYG Tianqing, a connected person of the Company (as purchaser).

Subject matter

Supply of cardio-cerebral, digestive system, oncology and anti-infectious medicines by NJCTT to LYG Tianqing on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Tianqing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

For the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013, the aggregate value of cardio-cerebral, digestive system, oncology and anti-infectious medicines purchased from NJCTT by LYG Tianqing were approximately RMB22.6 million (approximately HK\$28.5 million), approximately RMB27 million (approximately HK\$34.1 million), and approximately RMB21.2 million (approximately HK\$26.8 million), respectively.

The annual value of the purchase of cardio-cerebral, digestive system, oncology and anti-infectious medicines from NJCTT by LYG Tianqing under the 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB63.3 million (approximately HK\$80 million), RMB75.9 million (approximately HK\$95.9 million) and RMB90.9 million (approximately HK\$114.9 million), respectively. The caps have been determined with reference to (i) the estimated expansion of LYG Tianqing's demand for cardio-cerebral, digestive system, oncology and anti-infectious medicines; (ii) the estimated value of cardio-cerebral, digestive system, oncology and anti-infectious medicines to be sold by NJCTT from 1 January 2014 to 31 December 2016 taking into account the significantly increasing market demand for the same; (iii) the possible price increases for cardio-cerebral, digestive system, oncology and anti-infectious medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iv) the aggregate value of the total amount of the historical transactions under the 2010 LYG Tianqing-NJCTT Master Pharmaceuticals Supply Agreement for the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013.

X. LEASE AGREEMENTS OF THE COMPANY

The transactions under the following two agreements, the 2013 Billion Source-Sino Tenancy Agreement and Sino-Ledo Properties Tenancy Agreement, are to be aggregated in accordance with Rule 14A.27 of the Listing Rules.

A. 2013 Billion Source-Sino Tenancy Agreement

Reference is made to the announcement of the Company dated 30 November 2010 in relation to the lease of the premises at 31st Floor, Building No.1A, G.T. International Centre, Jia 3

Yongandongli, Jianguomenwai Dajie, Chaoyang District, Beijing, PRC by Billion Source to the Company under the 2010 Billion Source-Sino Tenancy Agreement. As such agreement will expire by the end of this year, the Company has, on 4 December 2013, entered into the 2013 Billion Source-Sino Tenancy Agreement in relation to such lease for the period from 1 January 2014 to 31 December 2016.

Date

4 December 2013

Parties

1. The Company (as tenant); and
2. Billion Source, a connected person of the Company (as landlord).

Property

Lease of the premises at 31st Floor, Building No.1A, G.T. International Centre, Jia 3 Yongandongli, Jianguomenwai Dajie, Chaoyang District, Beijing, PRC.

Term

From 1 January 2014 to 31 December 2016.

Payment is settled on the first day of each calendar month.

Rental and Annual Caps

For the two financial years ended 31 December 2012 and for the 8 months ended 31 August 2013, the aggregate rental paid by the Company to Billion Source were RMB3 million (approximately HK\$3.8 million), RMB3 million (approximately HK\$3.8 million) and RMB2 million (approximately HK\$2.5 million), respectively.

A monthly rent of RMB250,000 (approximately HK\$316,000), equivalent to an annual rent of RMB3 million (approximately HK\$3.8 million), is payable by the Company to Billion Source. Each monthly rental is payable in advance on or before the first day of each calendar month. The rental amount may be revised commencing from the second year of the lease by reference to the prevailing market rent, but subject to a maximum of RMB350,000 (approximately HK\$442,000) per month. The maximum amount payable to Billion Source, based on the agreed monthly rent, will not exceed RMB3.6 million (approximately HK\$4.5 million), RMB3.84 million (approximately HK\$4.9 million) and RMB4.2 million (approximately HK\$5.3 million), respectively, for each of the three financial years ending 31 December 2016.

The annual caps for the 2013 Billion Source-Sino Tenancy Agreement represented by the annual rental have been determined by reference to the historical rent paid by the Company to Billion Source for the lease of the same premises under the 2010 Billion Source-Sino Tenancy Agreement, the current market rental rate of other similar properties in the neighbouring area in Beijing, and the trend in the general PRC property market in comparable areas.

B. Sino-Ledo Properties Tenancy Agreement

Date

4 December 2013

Parties

1. The Company (as tenant); and
2. Ledo Properties, a connected person of the Company (as landlord).

Property

Lease of the premises at Unit F, 41st Floor, Convention Plaza, Wanchai, Hong Kong.

Term

From 1 January 2014 to 31 December 2016.

Payment is settled on the first day of each calendar month.

Rental and Annual Caps

A monthly rent is payable in advance on or before the first day of each calendar month. The rent may be revised commencing from the second year of the lease by reference to the prevailing market rent, but subject to a maximum annual rent of HK\$1.8 million. The maximum amount payable to Ledo Properties, based on the agreed monthly rent, will not exceed HK\$1.2 million, HK\$1.44 million and HK\$1.8 million, respectively, for each of the three financial years ending 31 December 2016.

The annual caps for the Sino-Ledo Properties Tenancy Agreement represented by the annual rental have been determined by reference to the current market rental rate of other similar properties in the neighbouring area in Hong Kong, and the trend in the general Hong Kong property market in comparable areas.

XI. SUPPLY OF PHARMACEUTICAL PRODUCTS BY LYG HUALING TO LYG RUNZHONG

LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement

Date

4 December 2013

Parties

1. LYG Hualing, a connected person of the Company (as supplier); and
2. LYG Runzhong, an indirect non-wholly owned subsidiary of the Company (as purchaser).

Subject matter

Supply of raw materials of anti-infectious medicines by LYG Hualing to LYG Runzhong on an ongoing basis.

Term

From 1 January 2014 to 31 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to LYG Hualing than those available from the Independent Third Parties.

Payment is normally settled on 90-day terms.

Annual Caps

The annual value of the provision of raw materials of anti-infectious medicines by LYG Hualing to LYG Runzhong under the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement for each of the three financial years ending 31 December 2016 will not exceed RMB32.3 million (approximately HK\$40.8 million), RMB36.5 million (approximately HK\$46.1 million) and RMB39.6 million (approximately HK\$50 million), respectively. The caps have been determined with reference to (i) the estimated significant expansion of LYG Runzhong's demand for raw materials of anti-infectious medicines; (ii) LYG Hualing's estimate of the increase in the market price/costs of supply of raw materials of anti-infectious medicines in line with increase of consumer prices in the PRC generally and volume growth in future; and (iii) increasing market demand for raw materials of anti-infectious medicines.

XII.PROVISION OF CONSULTANCY SERVICES BY CTP INVESTMENT

CTOCD Master Consultancy Services Agreement

Date

4 December 2013

Parties

1. CTP Investment, a wholly-owned subsidiary of the Company (as service provider); and
2. CTOCD, a connected person of the Company.

Subject matter

Provision of consultancy services in relation to corporate management, information technology, financial, internal control and human resources matters by CTP Investment to CTOCD on an ongoing basis.

Term

From 4 December 2013 to 3 December 2016.

Price

To be determined with reference to the prevailing market price and on terms no less favourable to CTP Investment than those available from the Independent Third Parties.

A consultancy fee of RMB6 million for initial set-up will be paid within 7 days after the agreement is signed. An annual consultancy fee is paid in every quarter of each year.

Annual Caps

The annual value of the provision of consultancy services in relation to corporate management, information technology, financial, internal control and human resources matters for each of the three years ending 3 December 2016 will not exceed RMB6 million (approximately HK\$7.6 million). The caps have been determined with reference to (i) the estimate of CTOCD's demand for consultancy services in relation to corporate management, information technology, financial, internal control and human resources matters in order to enhance its management efficiency in the PRC; and (ii) the prevailing market price for similar services in the PRC.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

CTT Master Entrusted Pharmaceuticals Processing Agreement

The Directors consider that the provision of processing services by CTT for NJCTT under the CTT Master Entrusted Pharmaceuticals Processing Agreement allows NJCTT to expand and develop its business in the therapeutic area of medicines with lyophilized formulation.

Master Technical Services Agreements

The Directors consider that the provision of research and development services under the Master Technical Services Agreements will help the Group to develop further its technical capability and will contribute towards a more efficient development of its resources. The Directors also consider that the Master Technical Services Agreements will facilitate the Group to fully utilize the capability of its existing research facilities.

Lease Agreements of CTT

The entering into of the Lease Agreements of CTT facilitates both Jiangsu Fenghai and NJCTT in obtaining additional area for expanding their production capacity with a competitive rent in light of the severe upward rental trend in the PRC.

LYG Hualing-LYG Runzhong Tenancy Agreement

The entering into of the LYG Hualing-LYG Runzhong Tenancy Agreement facilitates LYG Runzhong in obtaining additional area for expanding its production capacity with a competitive rent in light of the severe upward rental trend in the PRC.

Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements

The entering into of the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements by Jiangsu Fenghai Medicines with Shanghai Tongyong and Jiangsu Fenghai with LYG Runzhong allows Jiangsu Fenghai and Jiangsu Fenghai Medicines to obtain a stable supply of quality medicines of wide therapeutic applications from reputable suppliers.

NJCTT Master Pharmaceuticals Purchase Agreements

The entering into of the NJCTT Master Pharmaceuticals Purchase Agreements by NJCTT with LYG Runzhong and Jiangsu Qingjiang allows NJCTT to obtain a stable supply of quality medicines of wide therapeutic applications from reputable suppliers.

LYG Tianqing Master Pharmaceuticals Purchase Agreements

The entering into of the LYG Tianqing Master Pharmaceuticals Purchase Agreements by LYG Tianqing with Jiangsu Fenghai Medicines, Jiangsu Fenghai and Jiangsu Qingjiang allows LYG Tianqing to obtain a stable supply of quality medicines of wide therapeutic applications from reputable suppliers.

Suzhou Xingwei Master Pharmaceuticals Purchase Agreements

The entering into of the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements by Suzhou Xingwei with Jiangsu Fenghai, Jiangsu Qingjiang, LYG Tianqing and NJCTT allows Suzhou Xingwei to obtain a stable supply of quality medicines from reputable suppliers.

NJCTT Master Pharmaceuticals Supply Agreements

The entering into of the NJCTT Master Pharmaceuticals Supply Agreements by NJCTT with Jiangsu Fenghai Medicines, Shaoyang Hospital and LYG Tianqing allows them to obtain a stable supply of quality medicines of wide therapeutic applications from NJCTT, a reputable supplier.

Lease Agreements of the Company

The entering into of the Lease Agreements of the Company facilitates the Company in obtaining additional office premises in Beijing and Hong Kong with competitive rent in light of the severe upward rental trend in the PRC and Hong Kong.

LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement

The entering into of the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement by LYG Hualing and LYG Runzhong allows LYG Runzhong to obtain a stable supply of quality raw materials of active pharmaceutical ingredients from reputable suppliers.

CTOCD Master Consultancy Services Agreement

The Group has extensive experience in managing investments in the PRC. In light of the fact that CTOCD is in its initial stage of setting up its business, it requires expertise in corporate management. CTP Investment is experienced in corporate management and is thus capable of providing management services to CTOCD.

The Directors (including independent non-executive Directors) consider the terms of the CCT Agreements are in the ordinary and usual course of business of the Company under normal commercial terms, fair and reasonable and are in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Each of CTT, Jiangsu Fenghai, Jiangsu Fenghai Medicines, NJCTT, Jiangsu Qingjiang, LYG Runzhong, LYG Hualing, LYG Tianqing, Shaoyang Hospital, Shanghai Tongyong and Suzhou Xingwei is an indirectly and non-wholly owned subsidiary of the Company. CTP Investment is a wholly-owned subsidiary of the Company.

Given that Jiangsu Agribusiness has a 33.5% equity interests in CTT, which is a 60% indirectly-owned subsidiary of the Company, Jiangsu Agribusiness is a substantial shareholder of CTT and is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that NJCTT is a 51% owned subsidiary of CTT, and is owned as to 14.6% by Jiangsu Agribusiness, NJCTT is an associate of Jiangsu Agribusiness and a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Jiangsu Qingjiang is a 50.98% owned subsidiary of CTT, and is owned as to 15.01% by Jiangsu Agribusiness, Jiangsu Qingjiang is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that each of LYG Runzhong, LYG Hualing and LYG Tianqing is a wholly owned subsidiary of CTT, which is owned as to 33.5% owned by Jiangsu Agribusiness, each of LYG Runzhong, LYG Hualing and LYG Tianqing is an associate of Jiangsu Agribusiness and a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Further, given that (1) Jiangsu Fenghai is a 50.98% owned subsidiary of CTT and is owned as to 14.71% by Jiangsu Agribusiness, (2) Jiangsu Fenghai Medicines is a wholly-owned subsidiary of Jiangsu Fenghai, (3) Ace Elite, an indirect wholly-owned subsidiary of the Company, owns 25% of Jiangsu Fenghai; and (4) CTP (LYG), a wholly-owned subsidiary of the Company, owns 5.31% of Jiangsu Fenghai, both Jiangsu Fenghai and Jiangsu Fenghai Medicines are connected persons of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Billion Source is owned as to 50% by each of Mr. Tse, the chairman and a Director, and Ms. Cheng, also a Director, Billion Source is an associate of Mr. Tse and Ms. Cheng, and is thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Given that Ledo Properties is owned as to 99% by Ms. Cheng, Ledo Properties is an associate of Ms. Cheng and is thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

Mr. Tse is the nephew of the Chearavanont Shareholders who, together with their associates, are on an aggregate basis interested in not less than 50% of the equity interests of Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., Shanghai Kinghill Ltd. and Chia Tai Land Co., Ltd., which collectively own 69.9% of the equity interest in CTOCR. Accordingly, each of Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., Shanghai Kinghill Ltd. and Chia Tai Land Co., Ltd. and CTOCR is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules.

The Board considers that Mr. Tse, Ms. Cheng, Mr. Zhang, Mr. Tse Hsin and Mr. Tao Huiqi, being Directors, have material interest in the transactions of the CCT Agreements, and accordingly they abstained from voting on the relevant Board resolution(s).

As each of the aggregated applicable percentage ratios for the respective annual caps under the CTT Master Entrusted Pharmaceutical Processing Agreement, the Master Technical Services Agreements, the Lease Agreements of CTT, the LYG Hualing-LYG Runzhong Tenancy Agreement, the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Purchase Agreements, the LYG Tianqing Master Pharmaceuticals Purchase Agreements, the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Supply Agreements, the Lease Agreements of the Company, the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement and the CTOCR Master Consultancy Services Agreement are less than 5%, they constitute continuing connected transactions of the Company which are subject to the disclosure requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2010 Billion Source-Sino Tenancy Agreement”	the tenancy agreement dated 30 November 2010 between Billion Source and the Company in relation to the lease of the premises at 31st Floor, Building No.1A, G.T. International Centre, Jia 3 Yongandongli, Jianguomenwai Dajie, Chaoyang District, Beijing, PRC
“2010 JQ Master Technical Services Agreement”	the technical services agreement dated 30 November 2010 entered into between CTT and Jiangsu Qingjiang in relation to the provision of research and development services for improvement and application of orthopedic medicines by CTT to Jiangsu Qingjiang on an ongoing basis
“2010 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 30 November 2010 entered into between LYG Tianqing and Jiangsu Fenghai in relation to the purchase of nutrition, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines by LYG Tianqing from Jiangsu Fenghai on an ongoing basis
“2010 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 30 November 2010 entered into between LYG Tianqing and Jiangsu Fenghai Medicines in relation to the purchase of oncology medicines by LYG Tianqing from Jiangsu Fenghai Medicines on an ongoing basis
“2010 LYG Tianqing-NJCTT Master Pharmaceuticals Supply Agreement”	the master supply agreement dated 30 November 2010 entered into between LYG Tianqing and NJCTT in relation to the purchase of cardio-cerebral, digestive system, oncology and anti-infectious by LYG Tianqing from NJCTT on an ongoing basis
“2010 NJCTT Master R&D Services Agreement”	the master services agreement dated 30 November 2010 entered into between CTT and NJCTT in relation to research and development services by CTT to NJCTT on an ongoing basis
“2013 Billion Source-Sino Tenancy Agreement”	the tenancy agreement dated 4 December 2013 between Billion Source and the Company in relation to the lease of the premises at 31st Floor, Building No.1A, G.T. International Centre, Jia 3 Yongandongli, Jianguomenwai Dajie, Chaoyang District, Beijing, PRC
“2013 JQ Master Technical Services Agreement”	the technical services agreement dated 4 December 2013 entered into between CTT and Jiangsu Qingjiang in relation to the provision of research and development services for improvement and application of orthopedic medicines by CTT to Jiangsu Qingjiang on an ongoing basis

“2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between LYG Tianqing and Jiangsu Fenghai in relation to the purchase of nutrition, anti-infectious, digestive system, antipsychotic, respiratory system, cardio-cerebral, gynaecology and internal medicines by LYG Tianqing from Jiangsu Fenghai on an ongoing basis
“2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between LYG Tianqing and Jiangsu Fenghai Medicines in relation to the purchase of oncology medicines by LYG Tianqing from Jiangsu Fenghai Medicines on an ongoing basis
“2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement”	the master supply agreement dated 4 December 2013 entered into between LYG Tianqing and NJCTT in relation to the supply of cardio-cerebral, digestive system, oncology and anti-infectious medicines by NJCTT to LYG Tianqing on an ongoing basis
“2013 NJCTT Master Technical Services and Tenancy Agreement”	the master technical services and tenancy agreement dated 4 December 2013 entered into between CTT and NJCTT in relation to research and development services for improvement and application of cardio-cerebral medicines by CTT to NJCTT and lease of premises at No.9 Huiou Road, Economic-Technological Development Area, Nanjing, PRC by CTT to NJCTT on an ongoing basis
“Ace Elite”	Ace Elite Investments Limited, a limited liability company incorporated in Hong Kong on 26 June 2009, and is wholly owned by Lucky Symbol Holdings Ltd, a wholly-owned subsidiary of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Billion Source”	Billion Source Holdings Limited (兆源控股有限公司), a company incorporated in Hong Kong with limited liability
“Board”	board of Directors
“CCT Agreements”	collectively, the CTT Master Entrusted Pharmaceutical Processing Agreement, the Master Technical Services Agreements, the Lease Agreements of CTT, the LYG Hualing-LYG Runzhong Tenancy Agreement, the Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Purchase Agreements, the LYG Tianqing Master Pharmaceuticals Purchase Agreements, the Suzhou Xingwei Master Pharmaceuticals Purchase Agreements, the NJCTT Master Pharmaceuticals Supply Agreements, the Lease Agreements of the Company, the LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement and the CTOCRD Master Consultancy Services Agreement

“Chearavanont Shareholders”	four members of the Chearavanont family, namely, Mr. Jaran Chiaravanont, Mr. Montri Jiaravanont, Mr. Sumet Jiaravanon and Mr. Dhanin Chearavanont, who, on an aggregate basis, are directly and indirectly interested in not less than 50% of the issued share capital of Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., 上海帝泰發展有限公司 (Shanghai Kinghill Ltd.) and 正大置地有限公司 (Chia Tai Land Co., Ltd.)
“Company”	Sino Biopharmaceutical Limited (中國生物製藥有限公司), a company incorporated in the Cayman Islands whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CTP (LYG)”	Chia Tai Pharmaceutical (Lianyungang) Co., Ltd. (正大醫藥(連雲港)有限公司), a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“CTP Investment”	正大製藥投資(北京)有限公司 (Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.), a company established under the laws of the PRC, which is a wholly-owned subsidiary of the Company
“CTOCDR”	正大僑商房地產開發有限公司 (Chia Tai Oversea Chinese Realty Development Co., Ltd.), a company established under the laws of the PRC, which is held as to 60% by Charoen Pokphand Group Co., Ltd., 2.5% by C.P. Intertrade Co., Ltd., 2.5% by Shanghai Kinghill Ltd., 4.9% by Chia Tai Land Co., Ltd., 5% by CTP Investment and 25.1% by Independent Third Parties. Charoen Pokphand Group Co., Ltd., C.P. Intertrade Co., Ltd., 上海帝泰發展有限公司 (Shanghai Kinghill Ltd.) and 正大置地有限公司 (Chia Tai Land Co., Ltd.) are held and controlled by Chearavanont Shareholders
“CTOCDR Master Consultancy Services Agreement”	the consultancy services agreement dated 4 December 2013 entered into between CTP Investment and CTOCDR in relation to the provision of consultancy services in relation to corporate management, information technology, financial, internal control and human resources matters by CTP Investment to CTOCDR on an ongoing basis

“CTT”	正大天晴藥業集團股份有限公司 (Chia Tai-Tianqing Pharmaceutical Holdings Co., Ltd.), a sino-foreign joint stock limited company established under the laws of the PRC on 16 April 1997, which is held as to 60% by a wholly-owned subsidiary of the Company, 33.5% by Jiangsu Agribusiness, 5% by 連雲港彼得諮詢中心 (Lianyungang Bida Consultation Centre), 1% by 江蘇信泰珂科技發展有限公司 (Jiangsu Xintaike Technology Development Limited), an Independent Third Party and 0.5% by 中國藥科大學科技實業(集團)總公司 (China Pharmaceutical University Science and Technology Industrial (Group) Corporation), an Independent Third Party. 連雲港彼得諮詢中心 (Lianyungang Bida Consultation Centre) is owned as to 3.5% each by Mr. Zhang and Mr. Tse Hsin respectively, as to 10% by Mr. Tao Huiqi, the executive directors of the Company and as to 83% by Independent Third Parties
“CTT-Jiangsu Fenghai Tenancy Agreement”	the tenancy agreement dated 4 December 2013 between CTT and Jiangsu Fenghai in relation to the lease of (i) Rooms 201, 203, 204, 205, 206, 208, 2/F, Xuzhuang Software Park 699 – no. 8, Block 9#, Xuanwu District, Nanjing, Jiangsu, China, and (ii) 4 car parking spaces on ground floor and the ancillary facilities.
“CTT Master Entrusted Pharmaceutical Processing Agreement”	the master entrusted pharmaceutical processing agreement dated 4 December 2013 entered into between NJCTT and CTT in relation to the provision of processing services of sub-contract production for lyophilized formulation by CTT to NJCTT on an ongoing basis
“DFHC Consultation Centre”	大豐恆昌諮詢中心 (Da Feng Hang Chang Consultation Centre), a company established under the laws of the PRC which is owned as to 6.842% by Mr. Zhang, a Director and as to 93.158% by Independent Third Parties
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent person not connected with the Group or any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates

“Jiangsu Agribusiness”	江蘇省農墾(集團)有限公司 (Jiangsu State Agribusiness Group Corporation Limited), a state-owned enterprise established under the laws of the PRC, and a PRC joint venture partner holding 33.5% interest in CTT, 14.6% interest in NJCTT, 14.71% interest in Jiangsu Fenghai and 15.01% in Jiangsu Qingjiang, and is principally engaged in cultivation, plantation, processing of agricultural products and the business of investment management
“Jiangsu Fenghai”	江蘇正大豐海製藥有限公司 (Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd.), a limited liability company established under the laws of the PRC on 5 January 1980, which is principally engaged in the production and sale of pharmaceutical raw materials and products. Jiangsu Fenghai is owned as to 25% by Ace Elite, an indirect wholly-owned subsidiary of the Company, 14.71% by Jiangsu Agribusiness, 50.98% by CTT and 4% by DFHC Consultation Centre
“Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between Jiangsu Fenghai and LYG Runzhong in relation to the purchase of raw materials of medicines for treating diarrhoea and respiratory system diseases by Jiangsu Fenghai from LYG Runzhong on an ongoing basis
“Jiangsu Fenghai Master Pharmaceuticals Purchase Agreements”	collectively, the Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement and the Jiangsu Fenghai-LYG Runzhong Master Pharmaceuticals Purchase Agreement
“Jiangsu Fenghai Medicines”	江蘇正大豐海醫藥有限公司 (Jiangsu Chia Tai Fenghai Medicines Co., Ltd.), a limited liability company established under the laws of the PRC on 26 October 2009, which is wholly-owned by Jiangsu Fenghai
“Jiangsu Fenghai Medicines-Shanghai Tongyong Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between Jiangsu Fenghai Medicines and Shanghai Tongyong in relation to the purchase of dermatology medicines by Jiangsu Fenghai Medicines from Shanghai Tongyong on an ongoing basis
“Jiangsu Qingjiang”	江蘇正大清江製藥有限公司 (Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd.), a limited liability company established under the laws of the PRC on 28 February 2001. Jiangsu Qingjiang is owned as to 50.98% by CTT, 25% by Fine Enterprise Investment Limited, which is a limited liability company incorporated in Hong Kong and is wholly-owned by the Company, 15.01% by Jiangsu Agribusiness, and 9.01% of 淮安市宏達投資諮詢中心 (Huaian Hongda Investment Consulting Centre), a company established under the laws of the PRC, which is owned as to 3.44% by Mr. Zhang, a Director and as to 96.56% by other Independent Third Parties

“Lease Agreements of CTT”	collectively, the CTT-Jiangsu Fenghai Tenancy Agreement and the 2013 NJCTT Master Technical Services and Tenancy Agreement
“Lease Agreements of the Company”	collectively, the 2013 Billion Source-Sino Tenancy Agreement and the Sino-Ledo Properties Tenancy Agreement
“Ledo Properties”	Ledo Properties Ltd. (利都置業有限公司), a company incorporated in Hong Kong on 15 October 1992, which is owned as to 99% by Ms. Cheng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LYG Hualing”	連雲港正大華凌製藥有限公司 (Lianyungang Chia Tai Hualing Pharmaceutical Co., Ltd.), a limited liability company established under the laws of the PRC on 25 July 2006. LYG Hualing is wholly-owned by CTT
“LYG Hualing-LYG Runzhong Master Pharmaceuticals Supply Agreement”	the master supply agreement dated 4 December 2013 entered into between LYG Hualing and LYG Runzhong in relation to the supply of raw materials of anti-infectious medicines by LYG Hualing to LYG Runzhong on an ongoing basis
“LYG Hualing-LYG Runzhong Tenancy Agreement”	the tenancy agreement dated 4 December 2013 between LYG Hualing and LYG Runzhong in relation to the lease of the industrial complex, roads and facilities situated at No.16 Jinqiao Road, Dapu Industries District, Lianyungang Economic and Technological Development Zone, Lianyungang City, Jiangsu Province, PRC
“LYG Runzhong”	連雲港潤眾製藥有限公司 (Lianyungang Runzhong Pharmaceutical Co., Ltd.), a limited liability company established under the laws of the PRC on 20 October 2010. LYG Runzhong is wholly-owned by CTT
“LYG Tianqing”	連雲港正大天晴醫藥有限公司 (Lianyungang Chia Tai Tianqing Medicines Co., Ltd.), a limited liability company established under the laws of the PRC on 13 February, 2006. LYG Tianqing is wholly-owned by CTT
“LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between LYG Tianqing and Jiangsu Qingjiang in relation to the purchase of cardio-cerebral, respiratory system and orthopedic medicines by LYG Tianqing from Jiangsu Qingjiang on an ongoing basis

“LYG Tianqing Master Pharmaceuticals Purchase Agreements”	collectively, the 2013 LYG Tianqing-JFM Master Pharmaceuticals Purchase Agreement, the 2013 LYG Tianqing-JF Master Pharmaceuticals Purchase Agreement and the LYG Tianqing-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement
“Master Technical Services Agreements”	collectively, the 2013 JQ Master Technical Services Agreement and the 2013 NJCTT Master Technical Services and Tenancy Agreement
“Mr. Tse”	Mr. Tse Ping, the Chairman, a Director and a controlling shareholder of the Company interested (directly and indirectly) in approximately 16.40% in aggregate of the issued share capital of the Company
“Mr. Zhang”	Mr. Zhang Baowen, an executive Director
“Ms. Cheng”	Ms. Cheng Cheung Ling, a Director and a major shareholder of the Company
“NJCTT”	南京正大天晴製藥有限公司 (Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd.), a limited liability company established under the laws of the PRC on 31 August 2001. NJCTT is owned as to 51% by CTT, 25% by CTP (LYG), 14.6% by Jiangsu Agribusiness and 9.4% of 金康藥業有限公司 (Golden Bloom Pharmaceutical Company Limited), a company established under the laws of the PRC, which is owned as to 5.6% each by Mr. Zhang and Mr. Tse Hsin, respectively (each being a Director) and as to 88.8% by other Independent Third Parties
“NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement”	the master supply agreement dated 4 December 2013 entered into between NJCTT and Jiangsu Fenghai Medicines in relation to the supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Jiangsu Fenghai Medicines on an ongoing basis
“NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between NJCTT and Jiangsu Qingjiang in relation to the purchase of raw materials of oncology medicines by NJCTT from Jiangsu Qingjiang on an ongoing basis
“NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between NJCTT and LYG Runzhong in relation to the purchase of medicines for treating cardio-cerebral diseases, oncology and anorectal diseases by NJCTT from LYG Runzhong on an ongoing basis
“NJCTT Master Pharmaceuticals Purchase Agreements”	collectively, the NJCTT-LYG Runzhong Master Pharmaceuticals Purchase Agreement and the NJCTT-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement

<p>“NJCTT Master Pharmaceuticals Supply Agreements”</p>	<p>collectively, the NJCTT-Jiangsu Fenghai Medicines Master Pharmaceuticals Supply Agreement, the NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement and the 2013 NJCTT-LYG Tianqing Master Pharmaceuticals Supply Agreement</p>
<p>“NJCTT-Shaoyang Hospital Master Pharmaceuticals Supply Agreement”</p>	<p>the master supply agreement dated 4 December 2013 entered into between NJCTT and Shaoyang Hospital in relation to the supply of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines by NJCTT to Shaoyang Hospital on an ongoing basis</p>
<p>“PRC”</p>	<p>the People’s Republic of China and, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan</p>
<p>“RMB”</p>	<p>Renminbi, the lawful currency of the PRC</p>
<p>“Shanghai Tongyong”</p>	<p>上海通用藥業股份有限公司 (Shanghai Tongyong Pharmaceutical Co. Ltd.), a company established under the laws of the PRC on 20 November 2000. Shanghai Tongyong is held as to 60% by wholly-owned subsidiary of the Company, 20% by 上海昊洋投資管理有限公司 (Shanghai Haoyang Investment Management Co. Ltd.), 11% by 上海恩弘投資管理有限公司 (Shanghai Enhong Investment Management Co. Ltd.), 4% by 上海燁世投資有限公司 (Shanghai Yeshe Investment Co. Ltd.), 2.5% by 上海交通大學醫學院附屬瑞金醫院 (Ruijin Hospital of Shanghai Jiaotong University) and 2.5% by 江蘇省中國藥科大學控股有限責任公司 (China Pharmaceutical University Holdings Co. Ltd. of Jiangsu Province). 上海昊洋投資管理有限公司 (Shanghai Haoyang Investment Management Co. Ltd.), 上海恩弘投資管理有限公司 (Shanghai Enhong Investment Management Co. Ltd.), 上海燁世投資有限公司 (Shanghai Yeshe Investment Co. Ltd.), 上海交通大學醫學院附屬瑞金醫院 (Ruijin Hospital of Shanghai Jiaotong University) and 江蘇省中國藥科大學控股有限責任公司 (China Pharmaceutical University Holdings Co. Ltd. of Jiangsu Province) are Independent Third Parties.</p>

“Shaoyang Hospital”	正大邵陽骨傷科醫院 (Chia Tai Shaoyang Orthopedic Hospital), a company established under the laws of the PRC on 1 November 2011. Shaoyang Hospital is held as to 52% by a wholly-owned subsidiary of the Company, 18% by 邵陽正欣醫院管理有限公司 (Shaoyang Zhengxin Hospital Management Co. Ltd.) and 30% by 新邵縣邵陽正骨醫院資產經營管理有限公司 (New Shaoxian Shaoyang Orthopedic Hospital Asset Operation and Management Co. Ltd.). 邵陽正欣醫院管理有限公司 (Shaoyang Zhengxin Hospital Management Co. Ltd.) and 新邵縣邵陽正骨醫院資產經營管理有限公司 (New Shaoxian Shaoyang Orthopedic Hospital Asset Operation and Management Co. Ltd.) are Independent Third Parties.
“Sino-Ledo Properties Tenancy Agreement”	the tenancy agreement dated 4 December 2013 between Ledo Properties and the Company in relation to the lease of the premises at Unit F, 41st Floor, Convention Plaza, Wanchai, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 32 Laws of Hong Kong)
“Suzhou Xingwei”	蘇州天晴興衛醫藥有限公司 (Suzhou Tianqing Xingwei Medicines Co., Ltd.), a company established under the laws of the PRC on 20 July 1992. Suzhou Xingwei is held as to 55% by CTT, 30% by Mr. Xu Shuguo (許樹國), 13% by 連雲港匯傑生物科技發展有限公司 (Lianyungang Huijie Biological Technology Development Co. Ltd.) and 2% by Ms. Jiang Yongmei (姜永梅). Mr. Xu Shuguo (許樹國), 連雲港匯傑生物科技發展有限公司 (Lianyungang Huijie Biological Technology Development Co. Ltd.) and Ms. Jiang Yongmei (姜永梅) are Independent Third Parties
“Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between Jiangsu Fenghai and Suzhou Xingwei in relation to the purchase of infusion solution including mainly invert sugar from Jiangsu Fenghai by Suzhou Xingwei on an ongoing basis
“Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between Jiangsu Qingjiang and Suzhou Xingwei in relation to the purchase of anti-infectious and endocrinal medicines from Jiangsu Qingjiang by Suzhou Xingwei on an ongoing basis

“Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between LYG Tianqing and Suzhou Xingwei in relation to the purchase of hepatitis, oncology, anti-infectious, diabetes, respiratory system and osteoporosis medicines from LYG Tianqing by Suzhou Xingwei on an ongoing basis
“Suzhou Xingwei Master Pharmaceuticals Purchase Agreements”	collectively, the Suzhou Xingwei-Jiangsu Fenghai Master Pharmaceuticals Purchase Agreement, the Suzhou Xingwei-Jiangsu Qingjiang Master Pharmaceuticals Purchase Agreement, the Suzhou Xingwei-LYG Tianqing Master Pharmaceuticals Purchase Agreement and the Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement
“Suzhou Xingwei-NJCTT Master Pharmaceuticals Purchase Agreement”	the master purchase agreement dated 4 December 2013 entered into between Suzhou Xingwei and NJCTT in relation to the purchase of cardio-cerebral, anti-infectious, digestive system, oncology and anti-cardiac failure medicines from NJCTT by Suzhou Xingwei on an ongoing basis
“%”	per cent.

Notes:

- 1. In this announcement, for reference only and unless otherwise specified, the translation of RMB into HK\$ is based on the exchange rate of HK\$1.2637 to RMB1. Payments for the continuing connected transactions are proposed to be in RMB and are expressed in HK\$ in this announcement for illustration purposes only and may vary as a result of any change in the exchange rate of RMB against HK\$.*
- 2. In the event of inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese version shall prevail.*

By Order of the Board
Sino Biopharmaceutical Limited
Tse Ping
Chairman

PRC, 4 December 2013

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.