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SIHUAN PHARMACEUTICAL HOLDINGS GROUP LTD.

四環醫藥控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 0460)

CHANGE OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**” or “**Sihuan Pharmaceutical**” together with its subsidiaries, the “**Group**”) announces that PricewaterhouseCoopers (“**PwC**”) has resigned as the auditor of the Company with effect from 18 January 2016.

In their letter of resignation dated 18 January 2016 to the Board and the audit committee of the Company, PwC referred to the auditor’s report they issued on the consolidated financial statements of the Company for the year ended 31 December 2014, and the disclaimer opinion in relation thereto due to scope limitation. The Board was notified by PwC that as part of their annual client continuance assessment process in 2015, PwC has evaluated those matters described in their above-mentioned auditor’s report, and has decided not to accept the engagement for the 2015 audit and therefore resigned as auditor of the Company.

Up to the date of their resignation, PwC has not formally started the audit work on the Company’s consolidated financial statements for the year ended 31 December 2015.

The Company is incorporated under the laws of Bermuda. The Board is advised that there is no requirement under the laws of Bermuda for the resigning auditor to confirm whether or not there are any circumstances connected with their resignation which they consider should be brought to the attention of the shareholders of the Company. On this basis, PwC has not issued such confirmation to the Company. The Board and the audit committee of the Company confirm that there is no disagreement between the Company and PwC, and are not aware of any matters in respect of the change of auditor that need to be brought to the attention of the shareholders of the Company.

The Board further announces that Crowe Horwath (HK) CPA Limited (“**Crowe Horwath**”) has been appointed as the auditor of the Company with effect from 18 January 2016 to fill the casual vacancy occasioned by the resignation of PwC. Crowe Horwath shall hold office until the conclusion of the next annual general meeting of the Company.

By order of the Board
Sihuan Pharmaceutical Holdings Group Ltd.
Che Fengsheng
Chairman and Executive Director

Hong Kong, 18 January 2016

As at the date of this announcement, the executive Directors are Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer) and Mr. Meng Xianhui; the non-executive Directors are Dr. Zhang Jionglong and Mr. Homer Sun; and the independent non-executive Directors are Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun.