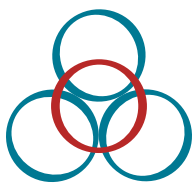


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四环医药  
*SihuanPharm*

## **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)**

## **PROPOSED DISPOSAL OF PART OF THE BUSINESS AND ASSETS**

The board of directors (the “**Board**”) of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that, following a review of the Company’s business layout and strategic development direction by the Board and the management of the Company, the Company intends to propose the disposal of some or all of its generic drug and other non-core traditional pharmaceutical businesses and assets that do not meet the Company’s performance expectations or do not meet the Company’s long-term strategic objectives due to the impact of changes in the pharmaceutical industry and policies (the “**Potential Disposal**”). The Company intends to complete the Potential Disposal in stages over the next 12–24 months, with the specific scope of the Potential Disposal to be finalized depending on market conditions and negotiations with potential buyers.

The Potential Disposal will enable the Company to focus its management and resources on the high-growth and high-margin medical aesthetics business as well as the innovative biological drug business with high value growth, and to advance the implementation of the Group’s two-wheel drive strategy of medical aesthetics and biopharmaceutical businesses at full speed. The Board and the management believe that the Potential Disposal will help maximize shareholders’ value, improve the efficiency of the Company’s resource allocation and enhance the long-term financial performance.

**The Board wishes to emphasize that, if the Company enters into any binding transaction documents in relation to the Potential Disposal, the Company will comply with the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when necessary.**

**Investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 15 July 2022

*As at the date of this announcement, the executive directors of the Company are Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer), Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling; and the independent non-executive directors of the Company are Mr. Patrick Sun, Mr. Tsang Wah Kwong and Dr. Zhu Xun.*