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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 SPIN-OFF AND SEPARATE LISTING OF XUANZHU BIOPHARM ON THE MAIN BOARD OF THE STOCK EXCHANGE DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS TRANSFER OF SHARES IN XUANZHU BIOPHARM

PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE H SHARES OF XUANZHU BIOPHARM ON THE MAIN BOARD OF THE STOCK EXCHANGE

Reference is made to the announcement of the Company dated 12 November 2024 in relation to, among other things, the Proposed Spin-off and separate listing of the H Shares of Xuanzhu Biopharm on the main board of the Stock Exchange.

THE PROPOSED SPIN-OFF

The Company proposes to spin off Xuanzhu Biopharm and separately list its H shares on the main board of the Stock Exchange. The separate listing of the SpinCo H Shares on the main board of the Stock Exchange constitutes a spin-off of the SpinCo by the Company under PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

The SpinCo proposes to conduct an offering of its H shares by way of Global Offering. The details of the Global Offering have yet to be finalised. As at the date of this announcement, the Company indirectly owns 56.47% shares in the SpinCo. It is intended that upon completion of the Proposed Spin-off and the Listing, the SpinCo will remain as a subsidiary of the Company.

On 25 November 2024, the SpinCo submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the SpinCo H Shares on the main board of the Stock Exchange.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off is in the interests of the SpinCo, the Company, and their respective shareholders as a whole, and the Proposed Spin-off will position each of the businesses better for growth in their respective regions and deliver clear benefits, for the following reasons:

Benefits to both the Company and the SpinCo and their respective shareholders:

(a) the Proposed Spin-off will enable more focused development and strategic planning, better allocation of resources for the respective businesses, and therefore, unlock value of the fast-developing Spin-off Business (as defined below) which is at the fast-growing stage and provide the Company and its shareholders an opportunity to realize the value of their investment in the Spin-off Group under a separate standalone listing platform;

(b) the Proposed Spin-off will enable the Spin-off Group to obtain a separate listing status and an independent fund-raising platform. After the Proposed Spin-off, both the Remaining Group and the Spin-off Group will have separate fundraising platforms that have direct access to both equity and debt capital markets, thereby accelerating both groups' existing operations and future expansion;

(c) the Proposed Spin-off will separate the Spin-off Business from the business of the Remaining Group. Such separation will enable shareholders and investors to appraise the strategies, success factors, business exposure, risks and returns of the Spin-off Group and the Group separately and to make or refine their investment decisions accordingly. Investors will have the choice to invest in either one or all of the businesses of the Group;

(d) the Proposed Spin-off will enable the Spin-off Group to build its identity as a separately listed group, to have a separate fund-raising platform and to broaden its investor base. Given the nature of the Spin-off Business, the R&D costs of the Spin-off Group are relatively high, and it takes time for its drug candidates to complete clinical trials before they are commercialised and start to generate revenue. The Proposed Spin-off would allow the Spin-off Group to gain direct access to capital markets for equity and/or debt financing to fund the R&D and commercialisation of its drug candidates without reliance on the Company, thereby accelerating its expansion, improving its operating and financial management efficiencies, which in turn will provide better return to the shareholders of the Spin-off Group;

(e) the Proposed Spin-off will enhance the corporate governance, management incentive mechanism and operational efficiency of the Spin-off Group and provide investors, financial institutions and rating agencies with greater disclosures on the businesses and financial status of both the Spin-off Group and the Remaining Group, on a stand-alone basis, and such disclosures are expected to enhance and further facilitate investors' informed investment decisions and invest in respective businesses based on their assessment of the results, management, strategy, risks and returns of both the Spin-off Group and the Remaining Group;

(f) the Proposed Spin-off will strengthen the operational management ability of both the Remaining Group and the Spin-off Group allowing their respective management teams to focus more efficiently and effectively on each business and improve their ability to recruit, motivate and retain key management personnel for each line of business as well as to expediently and effectively capitalize on any business opportunities that may arise, thereby improving its operating and financial performance, with aims to provide better returns to the shareholders of both the Company and the SpinCo; and

(g) the Proposed Spin-off will enable the Spin-off Group to enhance its corporate profile, thereby increasing its ability to attract investors to invest in the Spin-off Group, which could provide synergy for the Spin-off Group, and the Remaining Group will also benefit from such investments without further capital commitment. The Remaining Group will be able to focus on and deploy its financial resources towards the development of the business of the Remaining Group (the "**Remaining Business**") and to gain exposure to more specialised investors, increasing its chances of obtaining more targeted investments.

Benefits to the Company and its Shareholders:

(a) the Spin-off Group has incurred substantial capital expenditures to date, and expects to continue to incur significant expenses related to clinical trials and pre-clinical studies and incur operating losses for the foreseeable future. The drug candidates of the Spin-off Group would require substantial investments for the completion of clinical development, regulatory review, drug manufacturing, marketing and launch before they can generate product sales revenue. Therefore, the Spin-off Group will need to expend substantial resources on the research and development, as well as commercialisation of its product pipeline. The Proposed Spin-off will alleviate the capital demands of the Company's ongoing capital expenditure plans of the Spin-off Group and strengthen the Spin-off Group's ability to attract and recruit talent. As such, it enables the Company to allocate its resources more effectively to the Remaining Business and improve its capital utilisation efficiency without needing to consider the Spin-off Group's funding requirements. The enhanced business focus resulting from the Proposed Spin-off is expected to lead to a more organised and efficient allocation of the resources of the Company;

(b) the healthcare sector on the Stock Exchange has been significantly influenced by external pressures. These factors have heightened market volatility and increased investor caution, leading to reduced valuations for healthcare companies, including the Company. Despite improvements in the Company's business profile through smooth advancements in R&D and commercialisation over the past years, stock price movements have not accurately reflected the Company's intrinsic value. The Proposed Spin-off aims to enhance business focus, being tailored specifically to the unique drivers of profitability and long-term growth. This will also align management's responsibilities more closely with the operational and financial performance of both the Company and the SpinCo. Such alignment is expected to enhance decision-making processes, quicken response times to market changes, and boost operational efficiency, all without imposing additional capital burdens on the Company, which is expected to prompt Shareholders and investors to refocus on and reassess the value of the Company, thereby promoting further liquidity of the Company's shares; and

(c) As mentioned above, all benefits to be enjoyed by the Spin-off Group through the Proposed Spin-Off as discussed above are expected to accelerate the Spin-off Group's expansion and improve its overall operating and financial performance, thereby creating and unlocking greater value for the Company and its Shareholders as a whole. Upon completion of the Proposed Spin-Off, the Company will remain as the SpinCo's single largest shareholder, and is therefore expected to continue to enjoy the benefits of the Spin-Off Group's growth and development.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

In accordance with the requirements of PN15, the Board will give due regard to the interests of the Shareholders by providing qualifying Shareholders with an assured entitlement to the SpinCo H Shares by way of a preferential offering. The details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. It is currently expected that the highest applicable percentage ratio in respect of the Proposed Spin-off may be more than 5% but less than 25%. As such, the Proposed Spin-off may constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL

A redacted version of the application proof of the SpinCo's listing document (the "**Application Proof**") is expected to be available for review and download on the Stock Exchange's website at https://www1.hkexnews.hk/app/appindex.html. The Application Proof contains, among others, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon, among others, the approval of the Listing Committee, the completion of the filing with the China Securities Regulatory Commission for the listing and offering of the SpinCo H Shares, the final decisions of the Board and the board of directors of the SpinCo, market conditions and other factors, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

TRANSFER OF SHARES IN XUANZHU BIOPHARM

Share Compensation and Transfer Agreements

From 1 June 2021 to date, the Hang Seng Healthcare Index of Hong Kong has declined by more than 70%, mainly due to the negative impact of multiple factors such as industry policies, fluctuations in the exchange rate of the US dollar, and geopolitics, etc. At the same time, the liquidity issues of the Hong Kong stock market in recent years due to interest rate hikes and repatriation of the US dollar have further exacerbated the decline in the share price of the pharmaceutical companies listed in Hong Kong pursuant to Chapter 18A of Listing Rules, and the valuation of the pharmaceutical sector in Hong Kong stock market is currently

at a historical low level. However, the innovative pharmaceutical industry, as a quality track with huge potential for development, is worthy of long-term investment and attention in this era of increasing aging problems, as the Company firmly believes that the pharmaceutical industry certainly represents a market with incremental and demographic dividends in the next 20 years.

Considering the objective circumstances of the pharmaceutical sector in Hong Kong stock market mentioned above, and in order to encourage and express gratitude to the investors and Shareholders for their steadfast support and continued trust to the Company during this challenging market period, while ensuring fair treatment of the Previous Investors of Xuanzhu Biopharm, the Board of the Group and the board of directors of Xuanzhu Biopharm have jointly discussed and unanimously resolved to make appropriate adjustments to the initial valuation of investments made by the Previous Investors of Xuanzhu Biopharm by the way of share compensation, and that Xuanzhu Biopharm and the Controlling Shareholders of Xuanzhu Biopharm shall enter into the Share Compensation and Transfer Agreements with the Previous Investors, respectively. According to the agreements, the Controlling Shareholders of Xuanzhu Biopharm shall transfer and return 29,791,162 shares of Xuanzhu Biopharm to the Previous Investors at nil consideration, respectively, in order to reduce the actual investment price of Xuanzhu Biopharm paid by the Previous Investors. Among them, Xuanzhu (HK) shall transfer and return 24,332,920 shares of Xuanzhu Biopharm held by Xuanzhu (HK) to the Series A Lead Investors at nil consideration, increasing the number of shares of Xuanzhu Biopharm held by the Series A Lead Investors to 93,377,320 shares, such that the effective investment cost for the Series A Lead Investors would be reduced to RMB8.5674 per share.

Increase the shareholding ratio of the employee equity incentive scheme of Xuanzhu Biopharm by another 8%

In order to promote the future development of Xuanzhu Biopharm and further motivate the management and core cadres of Xuanzhu Biopharm, as well as to introduce new international pharmaceutical management talents to continuously improve the R&D speed and internationalization of Xuanzhu Biopharm, Xuanzhu Biopharm has resolved to increase the shareholding ratio of the employee incentive scheme by another 8%. After the deliberation and unanimous approval by the board of directors of Xuanzhu Biopharm and the Board of Sihuan Pharmaceutical, it has been determined that Xuanzhu (HK) would enter into the Equity Transfer Agreement with the Employee Incentive Platforms, pursuant to which, Xuanzhu (HK) shall transfer a total of 8% equity interest in Xuanzhu Biopharm held by it (the "**Subject Equity**") to the Employee Incentive Platforms.

According to the Equity Transfer Agreement, Xuanzhu (HK) shall transfer 36,049,144 equity interests in Xuanzhu Biopharm held by it (representing 8% of the equity interests in Xuanzhu Biopharm) to the Employee Incentive Platforms, including all ownership associated with the equity interests and all the rights, including profit distribution rights, asset distribution rights, that shareholders of Xuanzhu Biopharm are entitled to under the articles of association of Xuanzhu Biopharm and applicable laws. The total consideration for the transfer of the Subject Equity amounts to RMB36,049,144 in total, of which, Tianjin Zhenxuan will receive 34,467,544 shares (with a shareholding ratio of approximately 7.649%) at the consideration of RMB34,467,544; and Tianjin Guoding will receive 1,581,600 shares (with a shareholding ratio of approximately 0.3510%) at the consideration of RMB1,581,600. According to the Equity Transfer Agreement, within 24 months after the Equity Transfer Agreement is signed and becomes effective, the consideration of transferring the Subject Equity shall be paid to the bank account designated by Xuanzhu (HK).

Upon completion of the Transfer of Shares in Xuanzhu Biopharm, Xuanzhu Biopharm will remain as a subsidiary of the Company, and its financial statements will continue to be consolidated into the consolidated financial statements of the Group. Therefore, the transfer is considered an equity transaction, and it is expected that there will be no significant impact on the consolidated financial statements of the Group in terms of profits or losses, subject to the annual audited financial statements of the Group.

The Group did not receive any proceeds from the share transfer and clawback conducted under the Share Compensation and Transfer Agreements. The Group received net proceeds of approximately RMB36,049,144 from the transfer of shares to the Employee Incentive Platforms under the Equity Transfer Agreement, which will be used for general corporate purposes.

The Directors have reviewed the Share Compensation and Transfer Agreements and consider that the share transfer and clawback to the Previous Investors conducted under the Share Compensation and Transfer Agreements are fair and reasonable, considering the overall valuation of previous financing rounds and the general background of recent market conditions. Such practice is also common for valuation adjustments following equity financing in similar companies and is in the interests of the Company and its Shareholders as a whole.

The Directors consider that the transactions conducted under the Equity Transfer Agreement are for the purpose of implementing the employee incentive plan for Xuanzhu Biopharm, which is beneficial for the long-term development of both Xuanzhu Biopharm and the Company. The transactions are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

LISTING RULE IMPLICATIONS

According to Rules 14.22 and 14.23 of the Listing Rules regarding transaction classification, the transactions conducted under the Share Compensation and Transfer Agreements and the Equity Transfer Agreement (for the avoidance of doubt, the transactions under the Share Compensation and Transfer Agreements do not constitute disclosable transactions for the Company under the Listing Rules) involve the transfer of the existing shares in Xuanzhu Biopharm by the Controlling Shareholders of Xuanzhu Biopharm within a twelve-month period. Accordingly, the transactions under the Share Compensation and Transfer Agreements and the Equity Transfer Agreement are considered and aggregated as one transaction. As the highest applicable percentage ratio (as defined under the Listing Rules) for the transaction under the Equity Transfer Agreement, when calculated on a standalone basis, is below 5%, but the highest applicable percentage ratio (as defined under Listing Rules) for the transactions under the Share Compensation and Transfer Agreements and the Equity Transfer Agreement, when calculated on an aggregated basis, is above 5% but below 25%, the transaction under the Equity Transfer Agreement constitutes a disclosable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Before the Transfer of Shares in Xuanzhu Biopharm, the MIIF and the FIIF held approximately 11.49% and 3.83% of the shares in Xuanzhu Biopharm, respectively. As the MIIF and the FIIF were controlled by the same de facto controller, accordingly, the Series A Lead Investors collectively held approximately 15.32% of the shares in Xuanzhu Biopharm before the Transfer of Shares in Xuanzhu Biopharm, making them the substantial shareholders of Xuanzhu Biopharm, which constituted connected persons at the subsidiary level of the Company under the Listing Rules. Therefore, the transactions conducted under the Share Compensation and Transfer Agreements of the Series A Lead Investors constituted connected transactions for the Company. The Directors (including independent non-executive Directors) have reviewed the Share Compensation and Transfer Agreements of the Series A Lead Investors and believe that the terms and conditions for the share compensation and clawback received by the Series A Lead Investors are consistent with those of the other Previous Investors, without any special treatment, and are on normal commercial terms and are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole. The transactions conducted under the Share Compensation and Transfer Agreements of the Series A Lead Investors are subject to the reporting and announcement requirements but are exempted from the requirements of circular, independent financial advice and Shareholders' approval under Chapter 14A of the Listing Rules. None of the Directors has or is deemed to have a significant interest in the transactions conducted under the Share Compensation and Transfer Agreements of the Series A Lead Investors.

INFORMATION OF THE CONTROLLING SHAREHOLDERS OF XUANZHU BIOPHARM

Xuanzhu (HK) is a company incorporated in Hong Kong with limited liability and is a subsidiary of the Company. It is engaged in investment holding in Hong Kong.

Cayman Xuanzhu is a company incorporated in the Cayman Islands with limited liability and is a subsidiary of the Company. It is engaged in investment holding in Cayman Islands.

Sun Moral International is a company incorporated in Hong Kong with limited liability and is a subsidiary of the Company. It is engaged in investment holding in Hong Kong.

INFORMATION OF PREVIOUS INVESTORS

For information of Previous Investors, please refer to the Application Proof of Xuanzhu Biopharm. Instructions on how to access and download the Application Proof are provided in the section headed "GENERAL" above. Before the Transfer of Shares in Xuanzhu Biopharm, MIIF, FIIF, Shijiazhuang Keshuo, Beijing Tonghe and Shanghai Yunxin held approximately 11.49%, 3.83%, 1.92%, 1.21% and 0.14% of the shares in Xuanzhu Biopharm, respectively. After the Transfer of Shares in Xuanzhu Biopharm, MIIF, FIIF, Shijiazhuang Keshuo, Beijing Tonghe and Shanghai Yunxin held approximately 15.54%, 5.18%, 2.59%, 1.63% and 0.26% of the shares in Xuanzhu Biopharm, respectively.

INFORMATION ON THE EMPLOYEE INCENTIVE PLATFORMS

The Employee Incentive Platforms are two limited partnerships established in the PRC.

For the avoidance of doubt, the incentive recipients for the employee incentive scheme of Xuanzhu Biopharm may include the directors of the Group. The granting of incentives to the directors of the Group will constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall, among other things, be subject to approval by independent Shareholders at a general meeting, except as exempted under the Listing Rules. However, as the incentive shares are granted to the directors of the Group pursuant to their respective service contracts with the Group and form part of their respective remuneration packages thereunder, the granting of incentives to the directors of the Group is exempted from the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and save as disclosed in this announcement, the counterparties to the transactions in relation to the Transfer of Shares in Xuanzhu Biopharm and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION OF XUANZHU BIOPHARM

Xuanzhu Biopharm is the innovative drug subsidiary of the Company. It is an innovative pharmaceutical company with roots in China and a global perspective, focusing on major diseases such as digestion, oncology and non-alcoholic steatohepatitis, and is committed to the R&D, production and commercialisation of class 1 drugs with core proprietary intellectual property rights to address unmet clinical medical needs (the "**Spin-off Business**").

For the financial information relating to Xuanzhu Biopharm, please refer to the Application Proof of Xuanzhu Biopharm. Instructions on how to access and download the Application Proof are provided in the section headed "GENERAL" above.

INFORMATION OF SIHUAN PHARMACEUTICAL

Founded in 2001 and listed on the main board of the Stock Exchange in 2010, Sihuan Pharmaceutical is an international pharmaceutical and medical aesthetic company led by innovation, with an independent and leading research and development technology platform, a rich global product pipeline, strong product registration capability, a full dosage form production platform with high efficiency and low cost and a mature and excellent sales system. Adhering to the overall strategic objective of "full promotion of a two-wheel drive strategy of its medical aesthetics and biopharmaceutical businesses", Sihuan Pharmaceutical endeavours to build itself into a leading medical aesthetics and biopharmaceutical company in China.

DEFINITIONS

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

"Beijing Tonghe"	Beijing Tonghe Yinxing Innovative Asset Management Centre (Limited Partnership) (北京同合銀杏創新資產管理中心(有限合夥));
"Board"	the board of Directors of the Company;
"Cayman Xuanzhu"	Xuanzhu Biopharmaceutical Ltd. (軒竹醫藥科技有限公司);
"Company" or "Sihuan Pharmaceutical"	Sihuan Pharmaceutical Holdings Group Ltd. (四環醫藥控股集團有限公司), a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
"Controlling Shareholders of Xuanzhu Biopharm"	Xuanzhu (HK), Cayman Xuanzhu and Sun Moral International;
"Director(s)"	the director(s) of the Company;
"Employee Incentive Platforms"	Tianjin Zhenxuan and Tianjin Guoding;
"Equity Transfer Agreement"	the equity transfer agreement entered into between Xuanzhu (HK) and the Employee Incentive Platforms;
"FIIF"	Future Industry Investment Fund II (先進製造產業投資基金二期(有限合夥));
"Global Offering"	the offering to the public in Hong Kong for subscription of the SpinCo H Shares, and the international offering to certain professional and institutional investors and other investors (including the preferential offering to the qualifying Shareholder(s));
"Group"	the Company and its subsidiaries;
"Listing"	the listing of the SpinCo H Shares on the main board of the Stock Exchange;
"Listing Committee"	the Listing Committee of the Stock Exchange;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"MIIF"	Metropolitan Industrial Investment Fund (京津冀產業協同發展投資基金(有限合夥));
"PN15"	Practice Note 15 to the Listing Rules;
"Proposed Spin-off"	the proposed spin-off and separate listing of the SpinCo H Shares on the main board of the Stock Exchange;
"Remaining Group"	the Company and its subsidiaries, excluding the Spin-off Group;
"R&D"	research and development;
"Previous Investors"	MIIF, FIIF, Shijiazhuang Keshuo, Beijing Tonghe and Shanghai Yunxin;
"Series A Lead Investors"	MIIF and FIIF;
"Shanghai Yunxin"	Shanghai Yunxin Venture Capital Partnership (Limited Partnership) (上海雲鋅創業投資合夥企業(有限合夥));
"Share Compensation and Transfer Agreement(s)"	the Share Compensation and Transfer Agreement entered into between Xuanzhu Biopharm and the Controlling Shareholders of Xuanzhu Biopharm and the Previous Investors respectively, of which the agreement signed with the Series A Lead Investors is also referred to as the "Share Compensation and Transfer Agreement of Series A Lead Investors";
"Shareholder(s)"	shareholders of the Company;
"Shijiazhuang Keshuo"	Shijiazhuang Keshuo Investment Centre (Limited Partnership) (石家莊科碩投資中心(有限合夥));
"SpinCo" or "Xuanzhu Biopharm"	Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物科技股份有限公司), a limited liability company established in the PRC on 5 September 2018, and converted into a joint stock company with limited liability on 22 November 2021, formerly known as Xuanzhu Biopharmaceutical Limited Liability Company (軒竹生物科技有限公司);

"SpinCo H Shares"	overseas listed foreign share(s) in the ordinary share capital of the SpinCo, with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars, and for which an application has been made for listing and trade on the Stock Exchange;
"Spin-off Group"	the SpinCo and its subsidiaries;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Sun Moral International"	Sun Moral International (HK) Limited;
"Tianjin Guoding"	Tianjin Guoding Pharmaceutical Technology Partnership (Limited Partnership) (天津國鼎醫藥科技合夥企業(有限合夥));
"Tianjin Zhenxuan"	Tianjin Zhenxuan Pharmaceutical Technology Partnership (Limited Partnership) (天津振軒醫藥科技合夥企業(有限合夥));
"Transfer of Shares in Xuanzhu Biopharm"	the transfer of shares in Xuanzhu Biopharm under the Share Compensation and Transfer Agreements and the Equity Transfer Agreement;
"Xuanzhu (HK)"	Xuanzhu (HK) Biopharmaceutical Limited (軒竹(香港)醫藥科技有限公司); and
"%"	per cent.

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

Hong Kong, 25 November 2024

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, Ms. Chen Yanling and Ms. Miao Guili; and the independent non-executive Directors of the Company are Mr. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan.