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思 派 健 康 科 技

Sipai Health Technology Co., Ltd.
思派健康科技有限公司

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 0314)

MAJOR TRANSACTION

DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANY

Financial Adviser

Ignite Capital

EQUITY TRANSFER AGREEMENT

The Board announces that, on October 29, 2026 (after trading hours), Sipai Investment (a wholly-owned subsidiary of the Company) (as Seller) entered into an Equity Transfer Agreement with Dashenlin (as Purchaser), whereby Sipai Investment conditionally agreed to dispose of its entire equity interest in the Target Company (a wholly-owned subsidiary of the Company) at the aggregate Consideration of RMB15,000,000 (subject to a consideration adjustment mechanism outlined below). Upon completion of the Shanghai Zhongzhihe Disposal, the Group will cease to hold any interest in the Target Group and they will cease to be a subsidiary of the Group and their assets and liabilities will no longer be included in the consolidated financial statements of the Group. Dashenlin will indirectly obtain 100% of the equity interest in the Target Subsidiaries held by the Target Company.

Reference is also made to the announcements of the Company dated April 22, 2026 and May 14, 2026 in relation to the Sipai Zhihe Equity Transfer Agreement between Sipai Investment and Dashenlin in respect of the disposal of 100% equity interest in the Sipai Zhihe ("**Sipai Zhihe Disposal**").

LISTING RULES IMPLICATIONS

Since the Equity Transfer Agreement is entered into within 12 months after the Sipai Zhihe Equity Transfer Agreement, and both agreements were entered into with Dashenlin, the Shanghai Zhongzhihe Disposal shall be aggregated together with the Sipai Zhihe Disposal to calculate the applicable percentage ratios according to Rule 14.22 of the Listing Rule.

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Shanghai Zhongzhihe Disposal and Sipai Zhihe Disposal (collectively, the "**Disposals**"), when aggregated, exceeds 25% but is less than 75%, the Disposals constitute major transactions under Chapter 14 of the Listing Rules, and are subject to reporting, announcement and Shareholders' approval requirements.

Given the valuation of the Target Group was based on cost approach, under which the intangible assets were valued through income approach (taking into account the future economic benefits expected to bring to the Target Group), the valuation constitutes a profit forecast solely under Rule 14.61 of the Listing Rules. Further announcement in relation to the information required under Rule 14.60A of the Hong Kong Listing Rules will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further information about the Shanghai Zhongzhihe Disposal; and (ii) valuation report of Target Company; (iii) other information as required under the Listing Rules; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before November 19, 2026 in accordance with the Listing Rules.

As the completion of the Shanghai Zhongzhihe Disposal is subject to fulfillment (or waiver) of the conditions precedent set out in the Equity Transfer Agreement, the Shanghai Zhongzhihe Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

The Board announces that, on October 29, 2026 (after trading hours), Sipai Investment (a wholly-owned subsidiary of the Company) (as Seller) entered into an Equity Transfer Agreement with Dashenlin (as Purchaser), whereby Sipai Investment conditionally agreed to dispose of its entire equity interest in the Target Company (a wholly-owned subsidiary of the Company) at the aggregate Consideration of RMB15,000,000 (subject to a consideration adjustment mechanism outlined below). Upon completion of the Shanghai Zhongzhihe Disposal, the Group will cease to hold any interest in the Target Group and they will cease to be a subsidiary of the Group and their assets and liabilities will no longer be included in the consolidated financial statements of the Group. Dashenlin will indirectly obtain 100% of the equity interest in the Target Subsidiaries held by the Target Company.

EQUITY TRANSFER AGREEMENT

Principal terms of the Equity Transfer Agreement are as follow:

Date	October 29, 2026
Parties	(i) Sipai Investment, as the Seller (ii) Dashenlin, as the Purchaser; and (iii) the Target Company.
Subject Matter	100% of the equity interest in the Target Company, and thereby indirectly acquiring the Target Subsidiaries
Consideration	RMB15,000,000 (all PRC stamp duties in relation to this Transaction shall be borne by the Seller), representing the valuation of the Target Subsidiaries and subject to adjustment. In the event that any Target Subsidiaries is unable to operate normally and be delivered to the Purchaser, the Consideration shall be reduced by an amount equal to the attributed valuation of such Target Subsidiaries. In the event that the net assets of the Target Company at the Closing Date exceed the target net asset value, the excess shall be added to the Consideration and paid by the Purchaser in two instalments: (a) the excess of risk-free assets over the sum of total liabilities (excluding negative-balance items) and the target net asset value of RMB750,000, within 60 business days after confirmation of the closing net assets, provided that the net asset value will in any event be no higher than RMB18,000,000 and therefore the total consideration after such adjustment will in no event exceed RMB32,250,000; and (b) within 18 months after the Closing Date, amounts recovered from risk assets shall be reconciled monthly and the corresponding Consideration calculated in accordance with paragraph (a). The Seller shall waive the Consideration corresponding to any risk assets not recovered by the end of such period (and, if such amount exceeds the increased Consideration, shall make up the shortfall in net assets), and any jointly confirmed bad debts may be deducted from the Consideration or required to be made up by the Seller.

Payment terms

The Consideration shall be paid by the Purchaser to the Seller in five instalments (subject to the price adjustment arrangement) and subject to the withholding arrangement as set forth above:

(i) First Instalment: the first instalment of RMB1,500,000, shall be paid to the Seller within 15 business days after the Equity Transfer Agreement;

(ii) Second Instalment: the second instalment of RMB5,250,000 shall be paid to the Seller within 15 business days after completion of the industrial and commercial registration filings and the changes of designated person;

(iii) Third Instalment: the third instalment of RMB2,340,100 shall be paid to the Seller within 15 business days after (a) continuous normal operation of the Target Group with the inventory and asset handover, (b) fund management meeting the Purchaser's requirements, (c) completion of financial reconciliation, transfer of company seals, online banking keys and records, and (d) the Purchaser's written confirmation of financial data, the certain target stores' lease terms and medical insurance qualification;

(iv) Fourth Instalment: the fourth instalment of RMB750,000 shall be paid to the Seller within 15 business days after (a) Purchaser obtains control of the order, settlement and information system data, (b) handover of paper financial records, and (c) the change of registered addresses of the certain subsidiaries to the Purchaser's designated address with termination of the existing address lease agreement; and

(v) Fifth Instalment: the fifth instalment of RMB2,250,000 shall be paid to the Seller within 15 business days after (a) the earlier of (aa) the first anniversary of the Closing Date; or (bb) the second anniversary of the date of the Equity Transfer Agreement, and (b) the final conclusion of litigation cases with the payables having been paid to the Target Company, and (c) no claims having been made against the Target Company during the above period for payment of off-book liabilities.

An amount of RMB2,909,900 (representing 50% of the equity transfer price attributable to each of Xi'an Paite and Beijing Sijitang) shall be withheld from the consideration. Such withheld amount shall be released as follows: (a) when Xi'an Paite enters into a lease agreement meeting the agreed commercial terms within one year from the Closing Date, the Purchaser shall pay RMB1,012,950 within 15 business days after the date of lease agreement; and (b) when Beijing Sijitang enters into a lease agreement meeting the agreed commercial terms before the expiry of one year from the Closing Date, the Purchaser shall pay remaining RMB1,896,950 within 15 business days after the date of lease agreement.

Completion

Completion shall take place on the date on which the registration of the equity transfer has been completed and the updated register of shareholders of the Target Company has been delivered to the Purchaser (showing the Purchaser holding 100% of the equity interest in the Target Company) but in only event completion will only take place after the Shareholders' approval of the transaction at the EGM.

Conditions precedent

The Seller has undertaken the fulfillment of certain customary conditions, failing which the Purchaser may deduct the corresponding amount from the Consideration or claim liquidated damages, including but not limited to the following:

(i) the consolidated net assets of the Target Company as at the Closing Date shall be no less than RMB750,000, and any shortfall shall be made up by the Seller in cash or deducted from the Consideration;

(ii) the inventory shall be subject to the Purchaser's stocktake and shall not exceed RMB35,000,000, and the financial books and accounts of the Target Company shall be accurate and comply with applicable accounting standards;

(iii) the Seller shall bear all off-book liabilities and liabilities arising from matters before the Closing Date;

(iv) all Target Subsidiaries (other than Xi'an Paite and Beijing Sijitang) shall enter into lease agreements meeting the agreed commercial terms before the Third Instalment, failing which 50% of the portion of the Third Instalment attributable to such Target Subsidiary may be withheld, and only when the relevant Target Subsidiary enters into a lease agreement meeting the agreed commercial terms within one year from the Closing Date shall the Purchaser pay such withheld amount within 10 business days after the date of such lease agreement;

(v) all Target Subsidiaries shall hold all necessary operating licences and at least one of them shall hold both social and dual-channel medical insurance qualifications, subject to certain liquidated damages capped;

(vi) the Purchaser shall be authorized to continue using certain trade name in the Target Company's business names for one year from the Closing Date; and

(vii) the Reorganization shall be completed.

Termination

The Purchaser may terminate the Equity Transfer Agreement for the Seller's or Target Company's fundamental breach if (i) the equity transfer registration remains incomplete after 90 days from signing for reasons attributable to the Seller or Target Company; or (ii) serious breach and failure to cooperate in handover results in operational control not being transferred within 120 days from signing; or (iii) material misrepresentation, omission or misleading information, or material financial or legal risks, causes the Purchaser losses exceeding 15% of the initial Consideration; or (iv) any equity interest in a Target Subsidiary is transferred to an unrelated third party; or (v) the drug distribution licences, medical insurance qualifications or dual-channel medical insurance qualifications of the six target stores are declared invalid, revoked, withdrawn or cancelled before or on the completion date, or after the completion date as a result of business conduct before completion.

The Seller may terminate if any instalment remains unpaid or not fully paid for more than 15 days after its due date.

Either the Seller or the Purchaser may terminate if the transaction is expressly prohibited by a competent government authority and that prohibition is final and non-appealable. The agreement also provides customary remedies and termination rights for breaches relating to issues such as security interests, non-competition and force majeure prevents performance.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company. The Target Group, being the targets which will be transferred to Dashenlin pursuant to the Equity Transfer Agreement currently operates six pharmacies in the Guangdong, Hebei, Sichuan, Shaanxi, Shanxi and Beijing. Upon completion of the Shanghai Zhongzhihe Disposal, all members of the Target Group will cease to be operated by the Group.

As part of the Company's undertaking under the Equity Transfer Agreement, it has carried out certain reorganization to the Target Group prior to Completion, as of the date of this announcement, the Target Group consist of six target subsidiaries, which are Guangzhou Sipai, Hebei Sipai, Beijing Sijitang, Xi'an Paite, Sichuan Sipai and Taiyuan Sipai ("**Reorganization**").

Set out below is the unaudited financial information of the Target Group for the two years ended December 31, 2024 and 2025:

	For the year ended December 31, 2024 *(RMB'000)*	**For the year ended December 31, 2025** *(RMB'000)*
Revenue	978,511	617,543
Net (loss)/profit before tax	(4,633)	(7,904)
Net (loss)/profit after tax	(4,833)	(7,853)

Note: The Target Company was incorporated in April 23, 2026, the financial data of the Target Group presented in this announcement represents the pro-forma consolidated financial information of the Target Company and Target Subsidiaries based on the post-Reorganization structure.

As of December 31, 2025 and July 31, 2026, the Target Group has a unaudited net asset value of RMB14,305,603 and RMB11,049,073, respectively.

INFORMATION OF THE OTHER PARTIES INVOLVED IN THE SHANGHAI ZHONGZHIHE DISPOSAL

The Group

The Company is committed to building China's leading commercial healthcare payment system and service network for China's working population and their families through its unique "health insurance + healthcare management" one-stop service model.

Sipai Investment is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company, it is primarily engaged in investment holdings.

The Purchaser

Dashenlin is a joint stock company with limited liability incorporated in the PRC and listed on Shanghai Stock Exchange on July 31, 2017 (603233.SH). It is primarily engaged in pharmaceutical retail business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

BASIS OF DETERMINING THE CONSIDERATION

The Consideration was agreed after arm's length negotiations between Sipai Investment and the Purchaser taking into account factors including the appraised value of RMB25.39 million as set forth in the Valuation Report, as well as other factors such as the most recent net asset value of the Target Group, the overall market temperament and performance of the Target Group (which has experienced slight overall decline as compared to the corresponding period in the prior financial year). The valuation of the Target Company was based on cost approach, which has comprehensively considered the net asset value and the valuation of core intangible assets, thereby reasonably reflecting the valuation of the Target Company.

On the basis of the foregoing, the Directors are therefore of the view that the Consideration was fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

In addition, the Company has appointed Ignite Capital (Asia Pacific) Limited, a corporation licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, as the financial adviser to the Shanghai Zhongzhihe Disposal.

REASONS FOR AND BENEFITS OF THE SHANGHAI ZHONGZHIHE DISPOSAL

The Company conducts strategic review of the Group's assets from time to time with the aim of enhancing shareholder value. Since 2024, the Group has prioritized the development of its commercial insurance and health management businesses. Riding on strong industry trends and supportive policies, these segments demonstrate robust growth momentum and enjoy a substantially higher gross profit margin than the specialty pharmacy business. Since the strategic review, the Company has undertaken the Sipai Zhihe Disposal which disposed of some of the specialty pharmacies previously operated by the Group as well as some of the distribution infrastructure around its specialty pharmacy business. In light of current market conditions of the pharmacy industry and the recent operating performance of the Target Company and the Target Subsidiaries' pharmacy business, the Board believes that the Shanghai Zhongzhihe Disposal will allow the Group to sharpen its strategic focus, optimize resource allocation, strengthen financial support for its core businesses, lift the Group's overall gross profit margin, and accelerate the achievement of the Group's overall profitability targets. Upon completion of the Shanghai Zhongzhihe Disposal, the Group will cease to operate any specialty pharmacy and will remain focused on the Group's commercial insurance and health management businesses.

The Directors are of the view that the terms of the Shanghai Zhongzhihe Disposal, which have been agreed after arm's length negotiations taking into account the valuation from the Valuation Report and historical operating performance (including the revenue generated by the Target Company) of the Target Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE SHANGHAI ZHONGZHIHE DISPOSAL AND USE OF PROCEEDS

Immediately upon completion of the Shanghai Zhongzhihe Disposal, the Company will no long have any interest in the Target Company and it will cease to be a subsidiary of the Company, its financial results will no longer be consolidated into the Company's financial statements.

It is estimated that the Group will record a profit on the Shanghai Zhongzhihe Disposal in the amount of approximately RMB14.25 million, being the difference between the expected total sales proceeds and the unaudited net assets as at July 31, 2026. The actual gain or loss arising from the Disposal will be subject to the financial performance of the Target Company up to the completion date, as well as the Group's audit, and the actual gain or loss may therefore be different from the amount stated. The Company has already accounted for the consideration payable to the minority shareholders of Taiyuan Xinzeyuan Medical Technology Consulting Co., Ltd. in estimating the profit of RMB14.25 million expect to be generated by the Shanghai Zhongzhihe Disposal.

It is expected that net proceeds from the Disposal will be applied for corporate purposes and as general working capital of the Group.

LISTING RULES IMPLICATIONS

Since the Equity Transfer Agreement is entered into within 12 months after the Sipai Zhihe Equity Transfer Agreement, and both agreement were entered into with Dashenlin, the Shanghai Zhongzhihe Disposal shall be aggregated together with the Sipai Zhihe Disposal to calculate the applicable percentage ratios according to Rule 14.22 of the Listing Rule.

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals, when aggregated, exceeds 25% but is less than 75%, the Disposals constitute major transactions under Chapter 14 of the Listing Rules, and are subject to reporting, announcement and Shareholders' approval requirements.

Given the valuation of the Target Group was based on cost approach, under which the intangible assets were valued through income approach (taking into account the future economic benefits expected to bring to the Target Group), the valuation constitutes a profit forecast solely under Rule 14.61 of the Listing Rules. Further announcement in relation to the information required under Rule 14.60A of the Hong Kong Listing Rules will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further information about the Disposal; and (ii) valuation report of Target Company; (iii) other information as required under the Listing Rules; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before November 19, 2026 in accordance with the Listing Rules.

As the completion of the Disposal is subject to fulfillment (or waiver) of the conditions precedent set out in the Equity Transfer Agreement, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

"Beijing Sijitang"	Beijing Sijitang Pharmacy Co., Ltd.(北京四季堂大藥房有限責任公司), a company incorporated in the PRC with limited liability on April 21, 2006 and a wholly-owned subsidiary of the Company
"Board"	the board of Directors

"Company"	Sipai Health Technology Co., Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2015
"Consideration"	the aggregate consideration receivable by the Group for the Shanghai Zhongzhihe Disposal in the initial amount of RMB15,000,000, subject to the adjustments and payment arrangements set forth under the Equity Transfer Agreement
"Closing Date"	the date on which the registration of the equity transfer has been completed and the updated register of shareholders of the Target Company has been delivered to the Purchaser
"Directors"	the director(s) of the Company
"Disposals"	means the Shanghai Zhongzhihe Disposal and the Sipai Zhihe Disposal
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Shanghai Zhongzhihe Disposal
"Equity Transfer Agreement"	the equity transfer agreement dated October 29, 2026 in connection with the sale of 100% equity interest in Target Company by Sipai Investment to Dashenlin
"Group"	the Company and its subsidiaries
"Guangzhou Sipai"	Guangzhou Sipai Pharmaceutical Chain Co., Ltd.(廣州市思派藥業連鎖有限公司), including its Xianlie South Road branch(廣州市思派藥業連鎖有限公司先烈南路分公司), a target retail company within the agreed transfer scope under the Shanghai Zhongzhihe Disposal
"Hebei Sipai"	Hebei Sipai Pharmacy Co., Ltd.(河北思派大藥房有限公司), a company incorporated in the PRC with limited liability on July 25, 2018 and a wholly-owned subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons (as defined under the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PRC"	the People's Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser" or "Dashenlin"	Dashenlin Pharmaceutical Group Co., Ltd.(大參林醫藥集團股份有限公司), a joint stock company with limited liability incorporated the PRC and listed on Shanghai Stock Exchange on July 31, 2017 (603233.SH)
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Zhongzhihe Disposal"	the proposed disposal of the 100% equity interest in the Target Company pursuant to the terms of the Equity Transfer Agreement
"Shanxi Siweite"	Shanxi Siweite Health Management Consulting Co., Ltd.(山西思維特健康管理諮詢有限公司), a company incorporated in the PRC with limited liability on November 27, 2017. As at the date of this announcement, 51% of its equity interest is held by Sipai Wisdom Technology (Guangzhou) Co., Ltd.(思派智慧科技(廣州)有限公司)(a wholly-owned subsidiary of the Company), and the remaining 49% is held by Taiyuan Xinzeyuan Medical Technology Consulting Co., Ltd.(太原新澤源醫療技術諮詢有限公司)
"Shareholder(s)"	holder(s) of the Share(s)
"Sichuan Sipai"	Sichuan Sipai Pharmacy Co., Ltd.(四川思派大藥房有限公司), a company incorporated in the PRC with limited liability on April 17, 2018 and a wholly-owned subsidiary of the Company
"Sipai Investment" or "Seller"	Sipai Healthcare Investment Group Co., Ltd.(思派健康產業投資集團有限公司), a company incorporated in the PRC with limited liability on March 8, 2019 and a wholly-owned subsidiary of the Company
"Sipai Zhihe"	Sipai Zhihe Technology (Guangzhou) Co., Ltd.(思派致合科技(廣州)有限公司), a company incorporated in the PRC with limited liability on January 9, 2025 and a target company has be acquired by the Purchaser in connection with the Sipai Zhihe Disposal
"Sipai Zhihe Equity Transfer Agreement"	the equity transfer agreement dated April 22, 2026, in connection with the sale of 100% equity interest in Sipai Zhihe by Sipai Investment to Dashenlin
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the same meaning ascribed to it under the Listing Rules
"Taiyuan Sipai"	Taiyuan Sipai Pharmacy Co., Ltd.(太原思派大藥房有限公司), a company incorporated in the PRC with limited liability on May 4, 2018 and a wholly-owned subsidiary of the Company
"Target Company"	Shanghai Zhongzhihe Information Technology Co., Ltd.(上海眾智合信息技術有限公司), a company incorporated in the PRC with limited liability on April 23, 2026 and a target company which shall be acquired by the Purchaser in connection with the Disposal
"Target Subsidiary(ies)"	the subsidiaries of the Target Company after completion of the reorganization
"Valuer"	Orient Appraisal Co., Ltd.(上海東洲資產評估有限公司), an independent third-party valuer appointed by the Company
"Valuation Report"	the asset valuation report in respect of the appraised value of the Target Group as at July 31, 2026 issued by the Valuer
"Xi'an Paite"	Xi'an Paite Pharmacy Co., Ltd.(西安派特大藥房有限公司), a company incorporated in the PRC with limited liability on April 28, 2025 and a wholly-owned subsidiary of the Company
"%"	per cent

In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

By order of the Board
Sipai Health Technology Co., Ltd.
MA Xuguang
Chairman of the Board and Executive Director

Hong Kong, October 29, 2026

As at the date of this announcement, the Board comprises Mr. MA Xuguang and Mr. LI Ji as executive directors, Mr. YAO Leiwen as non-executive director, Mr. FAN Xin, Mr. HE Haijian and Ms. HUANG Bei as independent non-executive directors.