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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)

**UPDATE ON THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF
XUANZHU BIOPHARM ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BASIS OF ASSURED ENTITLEMENT OF QUALIFYING
SHAREHOLDERS IN THE PREFERENTIAL OFFERING**

The Board is pleased to announce that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 2,728 Shares held by Qualifying Shareholders at 4:30 p.m. on Thursday, 18 September 2025, being the Record Date.

As the size, structure and expected timetable of the Global Offering have not yet been finalized, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in relation to the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, further announcement(s) will be made by the Company.

The implementation of the Proposed Spin-off is subject to, among other things, the approval of the Stock Exchange, market conditions and other factors. Accordingly, shareholders and potential investors of the Company should be aware that there is no assurance from the Company that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed.

INTRODUCTION

References are made to the announcements of the Company dated 12 November 2024, 25 November 2024 and 4 September 2025 (the “**Previous Announcements**”) in relation to the proposed spin-off and separate listing of Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物科技股份有限公司) (the “**SpinCo**” or “**Xuanzhu Biopharm**”), a subsidiary of the Company, on the Main Board of the Stock Exchange (the “**Proposed Spin-off**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcements.

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS TO THE RESERVED SHARES IN THE PREFERENTIAL OFFERING

The Board is pleased to announce that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to the SpinCo Shares in the Preferential Offering (the “**Reserved Shares**”), if and when made.

The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 2,728 Shares held by Qualifying Shareholders at 4:30 p.m. on Thursday, 18 September 2025, being the Record Date.

The Assured Entitlements of Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders who hold at least 2,728 Shares at 4:30 p.m. on the Record Date and therefore have an Assured Entitlement to the Reserved Shares may apply for a few of the Reserved Shares which is greater than, equal to or less than their Assured Entitlements or may apply for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the Qualifying Shareholder's Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such an application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the Prospectus and the accompanying blue application form.

Qualifying Shareholders who hold less than 2,728 Shares at 4:30 p.m. on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only. Such an application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering.

Qualifying Shareholders should note that their Assured Entitlements to the Reserved Shares may not represent a full board lot of the SpinCo Shares. The Reserved Shares allocated to the Qualifying Shareholders will be rounded down to the closest whole number if required. No odd lot matching services will be provided and dealings in odd lots of the Reserved Shares may be at a price below the prevailing market price for full board lots of the Reserved Shares.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

Stock Connect

As at the date of this announcement, pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly issued shares. Accordingly, even if the Preferential Offering proceeds, beneficial owners who hold the Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

As the size, structure and the expected timetable of the Global Offering have not yet been finalized, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in relation to the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, further announcement(s) will be made by the Company.

GENERAL

In connection with the Global Offering, the price of SpinCo Shares may be stabilized in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilization and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

Details in respect of the Proposed Spin-off, including the structure and the expected timetable, have not been finalized. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate in accordance with the Listing Rules.

The implementation of the Proposed Spin-off is subject to, among other things, the approval of the Stock Exchange, market conditions and other factors. Accordingly, shareholders and potential investors of the Company should be aware that there is no assurance from the Company that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. If the Proposed Spin-off proceeds, the timetable for the Global Offering, including the Preferential Offering, will be set out in the Prospectus. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the shares or other securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

DEFINITIONS

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

“Reserved Shares”	the 3,366,500 SpinCo Shares being offered by the SpinCo pursuant to the Preferential Offering to Qualifying Shareholders as the Assured Entitlement;
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between Hong Kong and Shanghai; and
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between Hong Kong and Shenzhen.

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

Hong Kong, 17 September 2025

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.