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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)

VOLUNTARY ANNOUNCEMENT

**SUCCESSFUL ACQUISITION OF 100% EQUITY INTEREST IN
AMBEST PHARMACEUTICAL (CHINA) COMPANY LIMITED
BY SIHUAN PHARMACEUTICAL**

The board of directors (the “**Board**”) of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**” or “**Sihuan Pharmaceutical**” together with its subsidiaries, the “**Group**”) announces that Sun Moral International (HK) Ltd., a wholly-owned subsidiary of the Company, recently entered into an equity acquisition agreement (the “**Agreement**”) with Ambest Pharmaceutical Company Limited (弘和製藥集團有限公司) (the “**Transferor**”) to acquire the 100% equity interest held by the Transferor in Ambest Pharmaceutical (China) Company Limited (弘和製藥(中國)有限公司) (“**Ambest Pharmaceutical (China)**”) for a consideration of RMB1.1 billion (the “**Share Acquisition**”). Upon completion of the Share Acquisition, Ambest Pharmaceutical (China) will become a wholly-owned subsidiary of the Company.

Ambest Pharmaceutical (China) is engaged in the manufacturing of large volume injections, and research, technology transfer and technology services of pharmaceutical products. It currently holds the drug production approvals of Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (甘草酸單銨半胱氨酸氯化鈉注射液) and Floium Ginkgo Extract and Tertram Ethypyrazine Sodium Chloride Injection (杏芎氯化鈉注射液).

Other than commitment to sales, research and development, the Group has been constantly looking for opportunities to acquire companies owning exclusive products with large market potential, especially cardio-cerebral vascular (“CCV”) products, in hope of further improving its market share and competitiveness. Ambest Pharmaceutical (China), as the target company being acquired, meets such requirements of the Group.

Its two products are:

- 1) Floium Ginkgo Extract and Tertram Ethypyrazine Sodium Chloride Injection (100ml and 250ml), chemical drug approval numbers: Guo Yao Zhun Zi H22026583 and Guo Yao Zhun Zi H20058893, is an exclusive product with patent number of ZL2004100838829 for a term expiring in October 2024.
- 2) Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (trade name: “Huineng (回能)”, 100ml and 250ml), chemical drug approval numbers of Guo Yao Zhun Zi H20058905 and Guo Yao Zhun Zi H22026458, is an exclusive product with patent number of ZL031575625 for a term expiring in September 2023.

Floium Ginkgo Extract and Tertram Ethypyrazine Sodium Chloride Injection is a compound preparation of ginkgo biloba extract and ligustrazine, which is used for the treatment of ischemic CCV diseases such as cerebral circulation insufficiency, cerebral thrombosis, cerebral embolism, coronary heart disease, angina pectoris, myocardial infarction, and brain function disturbance etc., as well as Alzheimer’s disease. Both ginkgo biloba extract and ligustrazine have been included in the national reimbursement drug list and are widely used clinically. Therefore, we believe that as a compound formulation, Floium Ginkgo Extract and Tertram Ethypyrazine Sodium Chloride Injection also has impressive market potential.

Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (trade name: “Huineng (回能)”) was originally distributed by the Group as the general agent. This product possesses the property of anti-hepatotoxicity, and is able to reduce glutamate pyruvate transaminase and to restore hepatocyte function. It is mainly used for the treatment of acute and chronic persistent hepatitis, hepatotoxicity, and early hepatocirrhosis. Hepatitis B disease is one of the high prevalence diseases in China. As an exclusive formulation for hepatitis B disease, it also has a market potential.

These two products have started been sold in most provinces and municipalities throughout the country. It is believed that these two products will contribute to the future growth of the Group.

The applicable percentage ratios in respect of the above transaction are less than 5%. This announcement is being made by the Company on a voluntary basis to let the investing public understand the Group's latest business development, and does not constitute, and is not intended to be, an advertisement regarding the use of any medicine, surgical appliance, treatment or orally consumed product.

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

Hong Kong, 22 March, 2017

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) and Mr. Meng Xianhui; the non-executive directors of the Company are Dr. Zhang Jionglong and Mr. Homer Sun; and the independent non-executive directors of the Company are Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun.