

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)**

**GRANT OF NEW AWARDS PURSUANT TO THE  
EMPLOYEE SHARE AWARD SCHEME**

The Board announces that on 28 June 2016, 234 employees of the Group were granted New Awards entitling them to acquire an aggregate of 31,448,172 ordinary shares of par value HK\$0.01 each of the Company from the trustee for the purpose of the Employee Share Award Scheme at an exercise price of HK\$1.57 per Option Share on the condition that the Selected Participants will surrender the Existing Awards. Subject to certain vesting conditions and the satisfaction of certain performance targets (if any), the New Awards shall be exercisable over a period of five years commencing from the date on which the New Awards are granted.

The Employee Share Award Scheme involves granting of awards over the existing shares of the Company held by a trustee on trust for the benefit of the employees of the Group and no new shares of the Company will be issued pursuant to the Employee Share Award Scheme. The granting of the New Awards will not have any material financial impact on the Company.

Reference is made to the employee share award scheme adopted by Dr. Che Fengsheng, Dr. Guo Weicheng and Plenty Gold Enterprises Limited, being the direct or indirect shareholders of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”), on 25 October 2010 to provide incentive for employees of the Group to work towards enhancing the value

of the Company and its shares for the benefit of its shareholders (and as amended) (the “**Employee Share Award Scheme**”), details of the Employee Share Award Scheme are set out in the prospectus of the Company dated 15 October 2010 and the annual reports of the Company.

The board of directors (the “**Board**”) of the Company announces that on 28 June 2016, 234 employees of the Group (the “**Selected Participants**”) were granted awards entitling them to acquire an aggregate of 31,448,172 ordinary shares of par value HK\$0.01 each of the Company (each an “**Option Share**”) from the trustee for the purpose of the Employee Share Award Scheme at an exercise price of HK\$1.57 per Option Share (the “**New Awards**”) on the condition that the Selected Participants will surrender the existing award (or the remaining balance of such award if a portion of it had been vested and exercised) (the “**Existing Awards**”) granted to the Selected Participants previously on 20 March 2012 and 27 September 2013 by the Company. Subject to certain vesting conditions and the satisfaction of certain performance targets (if any), the New Awards shall be exercisable over a period of five years commencing from the date on which the New Awards are granted.

Assuming all of the Selected Participants will accept the New Awards in full, a total of 31,448,172 Option Shares will be granted under the New Awards whereas a total of 31,448,172 Option Shares previously granted to the Selected Participants under the Existing Awards will be surrendered and lapsed.

Pursuant to the rules of the Employee Share Award Scheme, the exercise price of the New Awards shall be determined by the remuneration committee of the Board (the “**Remuneration Committee**”). According to a resolution passed by the Remuneration Committee on 28 June 2016, it was determined that the exercise price of the New Awards shall be HK\$1.57 per Option Share.

The Employee Share Award Scheme involves granting of awards over the existing shares of the Company held by a trustee on trust for the benefit of the employees of the Group and no new shares of the Company will be issued pursuant to the Employee Share Award Scheme. The granting of the New Awards will not have any material financial impact on the Company.

None of the grantees of the New Awards is a director, chief executive or substantial shareholder of the Company or associate (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of any of them.

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

China, 28 June 2016

*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.*