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If you are in any doubt about this circular or as to the action to be taken, you should consult licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sihuan Pharmaceutical Holdings Group Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES,
DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Sihuan Pharmaceutical Holdings Group Ltd. (the "Company") to be held at Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 30 June 2021 at 10:00 a.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sihuanpharm.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish. **In view of the outbreak of COVID-19 pandemic, you are strongly encouraged to appoint the chairman of the AGM as proxy to attend and vote on your behalf at the AGM or any adjourned meeting.**

PRECAUTIONARY MEASURES FOR THE AGM

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the AGM:

- compulsory body temperature checks and health declarations;
- compulsory wearing of surgical face masks; and
- no provision of refreshments and corporate gifts.

Any person who does not comply with the precautionary measures will be denied entry into the AGM venue. All attendees are requested to wear surgical face masks at all times at the AGM venue. Shareholders are reminded to exercise their voting rights at the AGM by appointing the chairman of the AGM as proxy to attend and vote on the relevant resolutions at the AGM instead of attending the AGM or any adjourned meeting in person.

CONTENTS

	<i>Page</i>
PRECAUTIONARY MEASURES FOR THE AGM	1
DEFINITIONS	2
LETTER FROM THE BOARD	4
APPENDIX I — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	9
APPENDIX II — EXPLANATORY STATEMENT.....	11
NOTICE OF ANNUAL GENERAL MEETING.....	14

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) All attending Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration form confirming their names and contact details, and be asked whether (a) they have travelled to, or to their best of knowledge had close contact with any person who has recently travelled to, areas outside of the PRC at any time in the preceding 14 days of the AGM; and (b) they are subject to any compulsory quarantine prescribed by the PRC Government. Any person who responds affirmatively to any one of the above questions will be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) All attendees are requested to wear surgical face masks at the AGM venue at all times, and to maintain a safe distance with other attendees.
- (iv) No refreshments and corporate gifts will be provided.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing a form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the AGM as proxy to attend and vote on the relevant resolutions at the AGM instead of attending the AGM or any adjourned meeting in person.**

DEFINITIONS

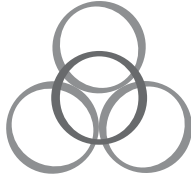
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 30 June 2021 at 10:00 a.m., or any adjournment thereof and the notice of which is set out on pages 14 to 18 of this circular
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time
“Company”	Sihuan Pharmaceutical Holdings Group Ltd., a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and/or deal with Shares not exceeding 20 per cent of the number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate
“Latest Practicable Date”	21 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10 per cent of the number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Che Fengsheng
Guo Weicheng
Zhang Jionglong
Choi Yiau Chong
Chen Yanling

Non-executive Director:

Kim Jin Ha

Independent Non-executive Directors:

Patrick Sun
Tsang Wah Kwong
Zhu Xun

Registered office:

Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

*Principal place of business
in Hong Kong:*

Room 4309
Office Tower
Convention Plaza
1 Harbour Road, Wan Chai
Hong Kong

31 May 2021

To the Shareholders

Dear Sirs or Madams

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES,
DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the notice of AGM and the following proposals to be put forward at the AGM: (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase

LETTER FROM THE BOARD

Mandate to repurchase Shares; (ii) the declaration and payment of a final cash dividend; (iii) the re-election of the retiring Directors, Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling.

ISSUE MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 June 2020, the Directors were granted a general mandate to issue Shares up to 20 per cent of the total number of issued Shares as at 15 June 2020. In accordance with the conditions of the general mandate granted, such mandate expires at either (i) the conclusion of the 2021 annual general meeting of the Company; (ii) the expiration of the period within which the 2021 annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

In order to ensure flexibility and provide discretion to the Directors, in the event that it becomes desirable for the Company to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the AGM, ordinary resolution no. 5(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares in the share capital of the Company up to 20 per cent of the number of issued Shares (but excluding any Shares which have been repurchased but not yet cancelled) as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the number of issued Shares was 9,465,682,206 Shares (including the 13,900,000 Shares which have been repurchased but not yet cancelled). Subject to the passing of ordinary resolution no. 5(A), and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to issue a maximum of 1,890,356,441 Shares.

In addition, subject to passing of ordinary resolution no. 5(C), the number of Shares repurchased by the Company under ordinary resolution no. 5(B) will also be added to extend the 20 per cent limit of the Issue Mandate as mentioned in ordinary resolution no. 5(A) provided that such additional amount shall not exceed 10 per cent of the number of issued Shares (but excluding any Shares which have been repurchased but not yet cancelled) as at the date of passing of the Issue Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any repurchase of Shares by it, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that repurchase of its own securities, without the prior approval of the Stock Exchange.

REPURCHASE MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 15 June 2020, the Directors were granted a general mandate to repurchase Shares up to 10 per cent of total number of issued Shares as at 15 June 2020. In accordance with the conditions of the general mandate granted, such mandate expires at either (i) the conclusion of the 2021 annual general meeting of the Company; (ii) the expiration of the period within which the 2021 annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

LETTER FROM THE BOARD

Ordinary resolution no. 5(B) will be proposed at the AGM to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10 per cent of the number of issued Shares (but excluding any Shares which have been repurchased but not yet cancelled) as at the date of passing of the resolution in relation to the Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

DECLARATION AND PAYMENT OF A FINAL CASH DIVIDEND

The Board recommended the declaration and payment of a final cash dividend of RMB1.3 cents per Share (equivalent to HK1.6 cents per share) for the year ended 31 December 2020 in return for Shareholders' support, subject to approval by the Shareholders at the forthcoming AGM. Together with an interim cash dividend of RMB0.1 cents per Share and two special cash dividends of RMB10.6 cents per share and RMB3.0 cents per Share, respectively, the total cash dividend for the year ended 31 December 2020 will be RMB15.0 cents per Share. Ordinary resolution no. 2 will be proposed at the AGM to approve the payment of the final cash dividend.

The final cash dividend, if approved by the Shareholders at the AGM, will be payable on or around Thursday, 15 July 2021 to Shareholders whose names appear on the register of members of the Company on Wednesday, 7 July 2021.

For details on closure of the register of members of the Company for entitlement to the final cash dividend, please refer to the paragraph headed "Closure of Register of Members" below.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to bye-law 84(1) of the Bye-Laws, Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling shall retire by rotation, and being eligible, have offered themselves for reelection as Directors at the AGM.

The re-appointment of the abovenamed Directors has been reviewed by the nomination committee of the Company ("**Nomination Committee**") which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the AGM. The Nomination Committee has recommended three Directors to the Board for re-election at the AGM.

Under ordinary resolution no. 3, the resolutions for re-election of Directors will be voted by Shareholders separately.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members will be closed from Friday, 25 June 2021 to Wednesday, 30 June 2021, both days inclusive, in order to determine the entitlement of Shareholders to attend and vote at the AGM, during which period no share transfers can be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 24 June 2021.

The transfer books and register of members will be closed from Wednesday, 7 July 2021 to Friday, 9 July 2021, both days inclusive, in order to determine the entitlement of Shareholders to receive the proposed final cash dividend, during which period no share transfers can be registered. In order to qualify for the proposed final cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 6 July 2021.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 14 to 18 of this circular is the notice of AGM at which, *inter alia*, ordinary resolutions will be proposed to Shareholders to consider and approve (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (ii) the declaration and payment of a final cash dividend; and (iii) the re-election of the retiring Directors, Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling.

FORM OF PROXY

A form of proxy is enclosed for use at the AGM. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sihuanpharm.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the AGM in person should they so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 66 of the Bye-Laws, at any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder but no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. A person/corporation entitled to more than one vote on a poll need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

LETTER FROM THE BOARD

An announcement on the results of the voting by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the proposed resolutions for (i) the granting to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (ii) the declaration and payment of a final cash dividend; (iii) the re-election of the retiring Directors, Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling, are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Your attention is drawn to additional information as set out in the Appendices.

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

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other members of the Group, nor has any directorships in other listed public companies in the last three years. None of the following Directors who are subject to re-election has an unexpired contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than under normal statutory obligations.

In addition, save as disclosed herein, none of the following Directors has any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed in this circular, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules.

Dr. Zhang Jionglong, aged 59, is an executive Director and was appointed to the Board on 20 April 2018. He is also the head of the Group's investment department. He is in charge of the Group's investment and mergers and acquisitions. He joined the Group in 2005 and was first appointed to the Board as a non-executive Director on 18 May 2006 until 8 December 2017. Dr. Zhang has more than 10 years of experience as a medical doctor. From 1983 to 1992, Dr. Zhang worked as a medical doctor in Shenzhen City People's Hospital, one of the largest hospitals in Shenzhen City, PRC. Dr. Zhang obtained a Graduate Certificate in Medical Treatment from Shantou Medical College, PRC (汕頭醫學專科學院) (now known as Shantou University Medical College (汕頭大學醫學院)) in 1983. In 1992, Dr. Zhang was conferred the professional title of Chief Physician by the Shenzhen City Title Conferment Reform Leadership Group (深圳市職稱改革領導小組).

Dr. Zhang has entered into a service contract with the Company on 20 April 2021 for a term of three years commencing from 20 April 2021, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Under such service contract, Dr. Zhang is entitled to an annual fee (including any director's fees) of HKD1,000,000 which was determined by the Board with reference to his job responsibility and prevailing market rate together with a discretionary bonus based on his performance. Such annual salary is subject to annual review by the Board and the remuneration committee of the Company ("Remuneration Committee") while the discretionary bonus may be decided by the Board and the Remuneration Committee at their discretion, having regard to his performance.

As at the Latest Practicable Date, Dr. Zhang was deemed to be interested in 6,008,926,699 Shares within the meaning of Part XV of the SFO.

Mr. Choi Yiau Chong, aged 47, is an executive Director, chief financial officer and one of the joint company secretaries and was appointed to the Board on 8 December 2017. Mr. Choi joined our Group in 2006 and is responsible for overseeing and managing the accounting and finance functions of our Group. Prior to joining our Group, Mr. Choi gained his finance and accounting experience at a company listed on the main board of Bursa Malaysia and at Deloitte and Touche. Mr. Choi received a Bachelor of Commerce (Accounting) from Nelson Polytechnic (now known as Nelson Marlborough Institute of Technology), New Zealand in 1997. He is a member of the Chartered Institute of Management Accountants (UK) and also a member of the Institute of Certified Public Accountants of Singapore. Currently, Mr. Choi is a director of Sun Moral International (HK) Limited, an investment holding company established in Hong Kong and a wholly-owned subsidiary of the Company since 2017. Mr. Choi is currently the director of certain subsidiaries of the Company since 2014.

Mr. Choi has entered into a service contract with the Company on 26 March 2021 for a term of three years commencing from 26 March 2021, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Under such service contract, Mr. Choi is entitled to an annual salary (including any director's fees) of HKD3,600,000 which was determined by the Board with reference to his job responsibility and prevailing market rate together with a discretionary bonus based on his performance. Such annual salary is subject to annual review by the Board and the remuneration committee of the Company ("Remuneration Committee") while the discretionary bonus may be decided by the Board and the Remuneration Committee at their discretion, having regard to his performance.

As at the Latest Practicable Date, Mr. Choi was deemed to be interested in 6,000,000 Shares within the meaning of Part XV of the SFO.

Ms. Chen Yanling, aged 43, is an executive Director and was appointed to the Board on 20 April 2018. She is also the person in charge of the secretariat of the Group's Board of Directors. Her main responsibilities are to manage all matters relating to the board of directors. She joined the Group in March 2006 and has served in the Group for 15 years. Joined the Group since 2006, she has been working as an assistant to the Chairman of the Group assisting in managing the board secretariat and Hainan Sihuan Pharmaceutical Co., Ltd. She is in charge of the listing, daily management and investor relationship of the Group, etc. Prior to joining the Group, she worked as an English translation officer at the information centre of Guangzhou Tourism Bureau in 2001. In 2002, she worked as an assistant to general manager at Yip's Ink & Chemicals (Zhongshan) Company Ltd. (葉氏油墨(中山)有限公司) and was in charge of the daily management of the general manager's office as well as planning and promotion. In 2004, she worked as an assistant to the president of Guangzhou Culturecom Company Ltd. (廣州文化傳信有限公司) and was in charge of the daily management of the president's office, planning and budgeting, media resources integration and development, maintenance, etc.

Ms. Chen has entered into a service contract with the Company on 20 April 2021 for a term of three years commencing from 20 April 2021, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Under such service contract, Ms. Chen is entitled to an annual salary (including any director's fees) of HKD1,300,000 which was determined by the Board with reference to his job responsibility and prevailing market rate together with a discretionary bonus based on his performance. Such annual salary is subject to annual review by the Board and the remuneration committee of the Company ("Remuneration Committee") while the discretionary bonus may be decided by the Board and the Remuneration Committee at their discretion, having regard to her performance.

As at the Latest Practicable Date, Ms. Chen was deemed to be interested in 4,000,000 Shares within the meaning of Part XV of the SFO.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the number of issued Shares was 9,465,682,206 Shares of nominal value of HK\$0.01 each (including the 13,900,000 Shares which have been repurchased but not yet cancelled). Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 945,178,220 Shares which represent 10 per cent of the number of issued Shares (but excluding any Shares which have been repurchased but not yet cancelled) during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting.

REASONS AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose in accordance with the Bye-Laws, the Listing Rules and the applicable laws of Bermuda. Under Bermuda law, any repurchases by the Company may be made out of capital paid up on the repurchased Shares or out of funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or the Company's share premium account before the Shares are repurchased.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may not have a material adverse impact on the working capital and on the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL MATTERS

None of the Directors and to the best of their knowledge, having made all reasonable enquiries, none of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

No core connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE IMPLICATIONS

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Dr. Che Fengsheng (together with his parties acting in concert (as defined under the Takeovers Code)) was interested and deemed to be interested (as applicable) in 6,008,926,699 Shares, representing an approximate total of 63.48% of the number of existing issued Shares. In the event that the Directors should exercise in full the Repurchase Mandate, Dr. Che's (together with his parties acting in concert) interests in the Company will be increased to approximately 70.64% of the number of issued Shares. To the best knowledge and belief of the Directors, such increase in the interests in the Company would not give rise to any obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased a total of 13,900,000 Shares on the Stock Exchange at an aggregate consideration of HK\$34.75 million (equivalent to around RMB29.05 million) during the six months prior to the Latest Practicable Date. All the repurchased shares were not yet cancelled, as at the Latest Practicable Date. Particulars of the repurchases are as follows:

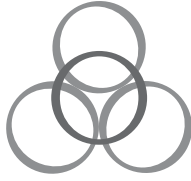
Date of repurchase	Number of ordinary shares repurchased	Repurchasing price for each share		Aggregate consideration paid	
		Highest HK\$	Lowest HK\$	HK\$ Million	Equivalent to RMB Million
9 April 2021	3,900,000	2.09	2.06	8.08	6.83
7 May 2021	10,000,000	2.70	2.63	26.67	22.22

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
2020		
May	0.820	0.710
June	0.800	0.652
July	0.870	0.730
August	1.090	0.800
September	0.933	0.788
October	0.980	0.780
November	1.030	0.880
December	0.920	0.790
2021		
January	2.320	0.790
February	3.120	1.850
March	2.540	2.010
April	3.400	2.010
May (up to and including the Latest Practicable Date)	3.210	2.580

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Sihuan Pharmaceutical Holdings Group Ltd. (the “**Company**”) will be held at Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 30 June, 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following ordinary resolutions:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditors of the Company (the “**Auditors**”) for the year ended 31 December 2020.
2. To approve the declaration and payment of a final cash dividend for the year ended 31 December 2020.
3.
 - a. To re-elect the following retiring Directors:
 - (i) Zhang Jionglong as an executive Director
 - (ii) Choi Yiau Chong as an executive Director
 - (iii) Chen Yanling as an executive Director
 - b. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Ernst & Young as Auditors and authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

(A) “**That:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/ or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company as at the date of passing this resolution and the approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

- (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (3) the revocation or variation by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of shareholders on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “That:

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the total number of the shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of issued shares of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and/or options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition to the total number of shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such number shall not exceed 10 per cent of the number of issued shares of the Company as at the date of passing of the resolutions.”

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

Hong Kong, 31 May 2021

Registered office:
Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

Principal place of business in Hong Kong:
Room 4309
Office Tower
Convention Plaza
1 Harbour Road, Wan Chai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Ordinary resolution numbered 5(C) will be proposed to the shareholders of the Company for approval provided that ordinary resolutions numbered 5(A) and 5(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time fixed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members will be closed from Friday, 25 June 2021 to Wednesday, 30 June 2021, both days inclusive in order to determine the entitlement of shareholders to attend and vote at the above meeting, during which period no share transfers can be registered. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 24 June 2021.
- (vi) The transfer books and register of members will be closed from Wednesday, 7 July 2021 to Friday, 9 July 2021, both days inclusive in order to determine the entitlement of shareholders to receive the proposed final cash dividend, during which period no share transfers can be registered. In order to qualify for the final cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 6 July 2021 (if applicable).
- (vii) In respect of ordinary resolution numbered 3 above, Dr. Zhang Jionglong, Mr. Choi Yiau Chong and Ms. Chen Yanling shall retire at the above meeting pursuant to the Company's bye-laws and being eligible, have offered themselves for re-election as directors of the Company. Details of the above retiring directors are set out in Appendix I to the accompanying circular dated 31 May 2021.
- (viii) In respect of ordinary resolution numbered 5(A) above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").
- (ix) In respect of ordinary resolution numbered 5(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders. The Explanatory Statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanying circular dated 31 May 2021.