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Grace Life-tech Holdings Limited

恩典生命科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Joint Provisional Liquidators appointed)

(For restructuring purposes only)

(Stock Code: 02112)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Grace Life-tech Holdings Limited (the “**Company**” or “**Grace Life-tech**”), together with its wholly-owned subsidiaries (collectively the “**Group**”), on a voluntary basis, to provide the shareholders and potential investors of the Company with the latest information on recent developments of the Group.

The Board of Directors of the Company is pleased to announce that the Company, through its wholly-owned subsidiary Shenzhen Grace Times Life Technology Co., Ltd. (hereinafter referred to as “**Shenzhen Grace**”) and Tianjin Bingcao Gangmu Biotechnology Co., Ltd. (hereinafter referred to as “**Bingcao Gangmu**”) has entered into a “Strategic Cooperation Framework Agreement” (hereinafter referred to as the “**Agreement**”) on the date of this announcement. The Agreement aims at strengthening the parties’ cooperation in the health industry field (plant cambium stem cell platform technology project) and promotes the business development of both parties to achieve equal and mutual benefit, resource sharing, complementing each other with their strengths, and win-win development.

Bingcao Gangmu is a holding group that focuses on hospital management, health management, traditional Chinese medicine health maintenance, and large-scale health chains. It owns the intellectual property rights of the “Source of Hundred Herbs” brand series. Bingcao Gangmu utilizes its self-developed smart health management system and innovative business model to create a deeply-integrated online and offline “Source of Hundred Herbs” platform for comprehensive health management. The “Source of Hundred Herbs” brand already has a well-established franchise and operational management system, with plans to open over 1,000 “Source of Hundred Herbs” Health Management Centers throughout the nation within two years. Bingcao Gangmu expects the sales revenue of “Source of Hundred Herbs” products to exceed RMB1 billion in 2024. Through multi-dimensional innovative exploration by both parties, a sustainable strategic partnership, and active investment in expanding new forms of health businesses, both parties shall jointly create a win-win cooperation situation.

In the future, Bingcao Gangmu will fully leverage its extensive sales network advantages to actively support Grace Life-tech in promoting the plant cambium stem cell series products and technical projects. Both parties will rely on their core competencies in brand, capital, resources, technology, and products to innovate cooperative development models, jointly promote industry development, and maximize benefits.

Through a strategic partnership with Bingcao Gangmu, starting from 2024, Grace Life-tech's plant cambium stem cell product line will be sold via the 1,000 new stores added through the Bingcao Gangmu expansion plan. With the increase in sales channels, Grace Life-tech's market share in plant stem cell products will gradually expand, which will be beneficial to sales revenue and profits. The strategic partnership is expected to generate additional sales revenue for the Company in 2024.

This strategic cooperation will not only enhance Grace Life-tech's brand influence in the Chinese market, but it will also promote the overall development of the plant stem cell industry. Both parties will work hand-in-hand to drive continuous innovation and application of plant stem cell technology to bring more healthy and eco-friendly product choices to consumers.

If a definitive business agreement is reached, the Company will make further announcement in accordance with the Listing Rules as and when appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Grace Life-tech Holdings Limited
Ng Khing Yeu
Chairman

Hong Kong, 21 June 2024

As at the date of this announcement, the executive Directors are Mr. Ng Khing Yeu, Ms. Li Xiaolan and Mr. Wang Er, and the independent non-executive Directors are Dr. Li Zhongquan, Dr. Wang Ling and Mr. Leung Yiu Cho.