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**Sunho Biologics, Inc.**

**盛禾生物控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2898)**

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTIONS OF FUNDS**

**THE SUBSCRIPTIONS**

The Board announces that, on June 28, 2024, Sunho HK (as the subscriber), entered into the Subscription Letters. Sunho HK has agreed to subscribe for the Funds pursuant to the terms of the Subscription Letters.

**LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios calculated in respect of each of the Subscriptions exceeds 5% but is less than 25%, each Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## THE SUBSCRIPTIONS

On June 28, 2024, Sunho HK (as the subscriber), entered into the Subscription Letters, pursuant to which Sunho HK has agreed to subscribe for the Funds. Principal terms of the Subscription Letters are set out below:

Name of Funds	Investment type	Term of investment	Subscription date	Subscription Amounts	Anticipated annual return rate
Prudent Wealth	Principal-and-return-guaranteed	No fixed term	June 28, 2024	USD7,500,000	6%
Vanguard	Principal-and-return-guaranteed	No fixed term	June 28, 2024	USD7,500,000	6%
North Rock	Principal-and-return-guaranteed	No fixed term	June 28, 2024	USD7,520,000	6%

### Basis of determination of the Subscription Amounts

The Directors confirmed that the Subscription Amounts were determined on the basis of commercial terms negotiated at arm's length between Sunho HK and each of the Funds, having considered the available surplus cash of the Company for treasury management purpose.

### Investment portfolio of the Funds

The investment portfolio of the Funds mainly include short-term and high-quality monetary market instruments such as U.S. Treasury securities with remaining maturities of less than one year, cash or cash equivalents.

### Voluntary redemption

Sunho HK is entitled to request voluntary redemption. In such case, the Funds shall, within five business days, return the Redemption Price to bank accounts designated by Sunho HK. Pursuant to the Subscription Letters, the Redemption Price shall be calculated in accordance with the following formula:

*Redemption Price = Subscription Amounts \* (100% + actual annual return rate of the Funds \* actual investment period of Sunho HK/365) — applicable bank charge (if any)*

### Source of funds of the Subscriptions

The Subscriptions were funded by internal resources of the Group (other than proceeds raised from the global offering of the Company).

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS**

In order to enhance the capital efficiency as well as the return from capital operation, the Group reasonably utilises its surplus cash for the purpose of treasury management to subscribe for the Funds to earn additional income without affecting its normal operations. The Funds offer a better potential return to the Group when compared to the deposit interest rates generally offered by commercial banks. The Group has implemented adequate and appropriate treasury management procedures, and the Subscriptions were made pursuant to such procedures. Given that the Subscriptions were funded by internal resources of the Group (other than proceeds raised from the global offering of the Company), and the Funds can be redeemed flexibly, the Directors are of the view that the Subscriptions would not affect the working capital sufficiency or the operations of the Group. The Company would closely and effectively monitor and manage the investment in the Funds on an ongoing basis.

The Directors (including the independent non-executive Directors) also noticed that all of the Funds are principal-and-return guaranteed, and are of the view that the terms of the Subscription Letters are determined on normal commercial terms after arm's length negotiation between the Group and the Funds, and are fair and reasonable, and the Subscriptions are in the best interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

The Group is a clinical-stage biopharmaceutical company that focuses on the discovery, development and commercialization of biologics for the treatment of cancers and autoimmune diseases. As of the date of this announcement, the Group has nine pipeline products, with three core products. Sunho HK is a limited company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company.

### **The Funds**

#### *Prudent Wealth*

Prudent Wealth is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the Companies Act, primarily engaged in investment and asset management. As an exempted segregate portfolio company, Prudent Wealth is able to create segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio pursuant to Cayman Islands laws.

#### *Vanguard*

Vanguard is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the Companies Act, primarily engaged in investment and asset management. As an exempted segregate portfolio company, Vanguard is able to create segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio pursuant to Cayman Islands laws.

## *North Rock*

North Rock is in the process of incorporation and registration as an exempted segregated portfolio company (which is able to create segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio pursuant to Cayman Islands laws).

To the best of their knowledge, information and belief, and having made all reasonable enquiries, the Directors confirm that, each of the Funds and their respective ultimate controllers and beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios calculated in respect of each of the Subscriptions exceeds 5% but is less than 25%, each Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Sunho Biologics, Inc. (盛禾生物控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on May 14, 2021 and the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2898)
“Director(s)”	the director(s) of our Company
“Funds”	collectively, North Rock, Prudent Wealth and Vanguard
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not the Company’s connected persons and their associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“North Rock”	North Rock Fund SPC, a segregated portfolio company in the process of incorporation and registration
“Prudent Wealth”	Prudent Wealth Global Fund SPC, a segregated portfolio company incorporated in the Cayman Islands
“Redemption Price”	the price to be paid by the Funds to bank accounts designated by Sunho HK in case of voluntary redemption, details are set forth in the section headed “The Subscriptions” above in this announcement
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of USD0.0005 each
“Shareholder(s)”	holder(s) of our Shares
“Subscription Amounts”	the amounts paid by Sunho HK to each of the Funds in relation to each of the Subscriptions, details are set forth in the section headed “The Subscriptions” above in this announcement
“Subscription Letters”	subscription letters entered into between the each of the Funds and Sunho HK in relation to the Subscriptions
“Subscriptions”	subscriptions of the Funds pursuant to the terms of the Subscription Letters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunho HK”	Sunho (HK) Limited, a limited company incorporated in Hong Kong on July 9, 2021 and an indirect wholly-owned subsidiary of our Company
“USD”	United States dollars, the lawful currency of the United States

“Vanguard”

Vanguard Fund SPC, a segregated portfolio company incorporated in the Cayman Islands

“%”

per cent

By order of the Board  
**Sunho Biologics, Inc.**  
**Mr. ZHANG Feng**  
*Chairman and executive Director*

Hong Kong, June 28, 2024

*As at the date of this announcement, the executive Directors are Mr. ZHANG Feng, Dr. YIN Liusong, Ms. JIANG Xiaoling; the non-executive Director is Mr. FAN Rongkui; and the independent non-executive Directors are Mr. CHAN Heung Wing Anthony, Ms. FENG Lan and Mr. SHI Luwen.*