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SINO BIOPHARMACEUTICAL LIMITED

中國生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Website: www.sinobiopharm.com

(Stock code: 1177)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ACQUISITION OF 29.99% EQUITY
INTEREST IN THE TARGET COMPANY**

Reference is made to the announcement of Sino Biopharmaceutical Limited (the “**Company**”) dated 30 October 2024 in relation to, among other things, the acquisition of 29.99% equity interest and the possible voluntary partial offer to acquire a maximum of 25.01% equity interest in Hob Biotech Group Corp., Ltd. (江蘇浩歐博生物醫藥股份有限公司) (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Pursuant to the Announcement, upon the completion of the Equity Transfer, Hob Biotech HK undertakes that (i) the Target Company’s net profit attributable to shareholders of parent company shall be no less than RMB49.70 million, RMB52.18 million and RMB54.79 million for the financial years 2024, 2025 and 2026, respectively; and (ii) the Target Company’s net profit attributable to shareholders of parent company after deducting extraordinary gains and losses shall be no less than RMB45.47 million, RMB47.74 million and RMB50.13 million for the financial years 2024, 2025 and 2026, respectively (collectively, the “**Profit Undertakings**”).

The Company would like to supplement certain additional information in respect of the Profit Undertakings, including the basis of determination as well as the consequences of non-compliance with the Profit Undertakings by Hob Biotech HK.

BASIS OF DETERMINATION

Pursuant to the Equity Transfer Agreement, the Target Company's net profit attributable to shareholders of parent company and the Target Company's net profit attributable to shareholders of parent company after deducting extraordinary gains and losses shall be determined on the basis of the China Accounting Standards for Business Enterprises and shall exclude the financial effects attributable to (i) the Target Company's anti-allergy medicines business; (ii) the new businesses carried out by the Target Company subsequent to Beijing Runkang obtaining control of the Target Company; and (iii) the share incentive schemes of the relevant personnel in connection with such new businesses (collectively, the "**Profits**").

The Target Company is responsible for engaging an auditor to conduct special audit after the year end of each of the financial years 2024, 2025 and 2026 for determining the Profits in respect of each financial year. The auditor shall issue the special audit reports at the same time as the corresponding annual audit reports of the Target Company under the relevant regulatory requirements.

CONSEQUENCES OF NON-COMPLIANCE

If any part of the Profits is lower than the corresponding requirements under the Profit Undertakings in any of the financial years, Hob Biotech HK is required to compensate the Target Company for such financial year by way of cash payment in the amount of (i) the shortfall between the Target Company's actual net profit/loss attributable to shareholders of parent company stated in the special audit report for such financial year and the required net profit under the Profit Undertakings; or (ii) the shortfall between the Target Company's actual net profit/loss attributable to shareholders of parent company after deducting extraordinary gains and losses stated in the special audit report for such financial year and the required net profit under the Profit Undertakings, whichever is higher (the "**Shortfall**"). If the Target Company records a net loss for a relevant financial year, the Shortfall will be calculated on the basis of such negative figure. The compensation for a particular financial year, where applicable, shall be paid by Hob Biotech HK to the Target Company within thirty (30) calendar days after the issue of the relevant special audit report (the "**Compensation Period**").

If Hob Biotech HK is unable to fulfil its obligations within thirty (30) calendar days after the expiry of the Compensation Period, Beijing Runkang is entitled but not obliged to settle the Shortfall with direct payment to the Target Company and offset the same amount against its payment obligation under the final instalment of consideration for the Equity Transfer. According to the friendly negotiation between the parties to the Equity Transfer Agreement, the potential liabilities of Hob Biotech HK under the Profit Undertakings shall not exceed RMB80.0 million.

The Company will comply with the relevant disclosure requirement under Rule 14A.63 of the Listing Rules, in particular where there is any subsequent change to the Profit Undertakings or the actual performance of the Profit Undertakings fails to meet the requirements stated in the Equity Transfer Agreement.

By order of the Board
Sino Biopharmaceutical Limited
Tse, Theresa Y Y
Chairwoman

Hong Kong, 18 November 2024

As at the date of this announcement, the Board of the Company comprises six executive directors, namely Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse, Eric S Y, Mr. Tse Hsin, and Mr. Tian Zhoushan, and five independent non-executive directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Lu Hong, Mr. Zhang Lu Fu and Dr. Li Kwok Tung Donald.