SINO BIOPHARMACEUTICAL LIMITED
中國生物製藥有限公司

*(Incorporated in the Cayman Islands with limited liability)*
*Website: www.sbpgroup.com*
**(Stock code: 1177)**

# CONNECTED TRANSACTION
# ACQUISITION OF 5% EQUITY INTEREST IN CT TIANQING THROUGH THE ACQUISITION OF EQUITY INTERESTS IN THE TARGET COMPANY

**SOMERLEY CAPITAL LIMITED**

The Board is pleased to announce that the Company (through the Purchaser) proposed to acquire a 5% equity interest in CT Tianqing through the acquisition of equity interests in the Target Company. On 11 September 2026, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement for the sale and purchase of the Target Equity Interests, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Target Equity Interests (representing 100% of all the issued shares of the Target Company) for a consideration of RMB4,480,000,000, equivalent to the acquisition of 5% equity interest in CT Tianqing at approximately 19 times LTM P/E.

CT Tianqing is a subsidiary of the Company, and upon Completion, the Company's indirect equity interest in CT Tianqing will increase from 60% to 65%. The Group's adjusted net profit attributable to owners of the parent would have increased by 7.4% (i.e. approximately RMB350 million), based on the LTM adjusted net profit attributable to owners of the parent of CT Tianqing as at the end of June 2026.

The Vendor is an executive Director and a substantial shareholder of the Company, and is therefore a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the Acquisition constitutes a connected transaction of the Company. As the highest applicable percentage ratio of the Acquisition exceeds 0.1% but is below 5%, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The acquisition of a 5% equity interest in CT Tianqing would have increased the Group's underlying profit attributable to owners of the parent (adjusted net profit attributable to owners of the parent) by approximately RMB350 million, based on the LTM adjusted net profit attributable to owners of the parent of CT Tianqing as at the end of June 2026. At the same time, it gives the Group greater exposure to the growth upside from CT Tianqing's innovation and globalization efforts, offering both immediate returns and long-term strategic value. The acquisition valuation represents a significant discount compared to industry peers and will effectively enhance returns for all Shareholders. The Acquisition represents a key milestone in the Group's efforts to raise its controlling stake in core assets, which will help accelerate the implementation of four major strategies and enhance the Group's overall competitiveness. The specific benefits are as follows:

### *I. Direct Increase in Net Profit Attributable to Owners of the Parent*

Based on the LTM adjusted net profit attributable to owners of the parent of CT Tianqing as at the end of June 2026, the acquisition of a 5% equity interest in CT Tianqing would have increased the Group's adjusted net profit attributable to owners of the parent by approximately RMB350 million or approximately 7.4%.

### *II. Strong Potential for Performance Growth*

CT Tianqing (i) is expected to have nearly 25 innovative drugs approved [1] between 2026 and 2030, with a combined domestic peak sales exceeding RMB40 billion, which will continue to support the rapid growth of the innovative drug sector; (ii) entered into two out-licensing agreements with Sanofi and AstraZeneca during the year, with upfront payments totaling US$335 million and total deal value exceeding US$3.4 billion; multiple products in development possess potential First-in-Class (FIC) or Best-in-Class (BIC) differentiated characteristics and hold broad prospects for global development; and (iii) continues to expand strategic collaborations with multinational corporations (MNCs), opening up a second growth curve. Following the collaboration with Boehringer Ingelheim in the field of oncology, this year it has entered into a strategic collaboration with GlaxoSmithKline in the fields of respiratory and liver diseases, introducing products such as Trelegy Ellipta® and Bepirovirsen. The five announced collaborative products are expected to generate combined peak domestic sales exceeding RMB10 billion. The Acquisition is expected to deliver significant long-term growth value to Shareholders.

### *III. Enhancing Returns for All Shareholders*

CT Tianqing reported operating revenue of RMB16.4 billion in the first half of 2026, a year-on-year increase of 14.5%; revenue from innovative drugs rose by 38.3% year-on-year, serving as the core driver of performance; adjusted net profit attributable to owners of the parent reached RMB5.26 billion, up 88.5% year-on-year, significantly outperforming comparable companies in the industry. Currently, the price-to-earnings (P/E) ratios of Hong Kong-listed pharmaceutical companies with innovation capabilities comparable to those of CT Tianqing range from approximately 18 times to approximately 46 times, with a median of approximately 26 times (please see the section headed "VALUATION" below for details). The Group is acquiring a 5% equity interest in CT Tianqing, a subsidiary with outstanding performance and significant growth potential, at a price equivalent to approximately 19 times LTM P/E. After taking into account a liquidity discount, there is still a significant valuation discount relative to the industry, which effectively enhances returns for all Shareholders.

### *IV. Accelerating the Implementation of the Four Major Strategies to Enhance the Group's Overall Competitiveness*

CT Tianqing serves as the core driver of the Group's four major strategies: comprehensive innovation, globalization, digitalization, and organizational integration.

(1) Comprehensive Innovation

CT Tianqing consistently ranks among the top three in China in terms of research and development capabilities. It has established cutting-edge technology platforms for small molecules, antibodies, antibody-drug conjugates (ADC), T-cell engagers (TCE), orally available protein degraders (OAPD), and inhalable formulations. With 15 innovative drugs already marketed and more than 40 in clinical development, CT Tianqing submits over 10 Investigational New Drug (IND) applications annually, serving as the core pillar of the Group's innovative development.

(2) Globalization

Achieving breakthroughs through multiple expansion models overseas. During the year, in addition to securing major overseas out-licensing agreements with Sanofi and AstraZeneca, CT Tianqing also concluded two regional overseas out-licensing deals for TQB2102 (HER2/HER2 ADC), continuously expanding its global market presence while sharing expertise and resources with the Group's member companies.

(3) Digitalization

Since 2021, CT Tianqing has taken the lead in implementing end-to-end AI empowerment across the four core areas of research and development, manufacturing, sales and marketing, and management. The economic benefits of these initiatives began to materialize in the first half of 2026; mature models are being systematically rolled out to the Group's subsidiaries, driving improvements in overall operational efficiency.

(4) Organizational Integration

As the Group's strategic platform for its three core functions of clinical development, manufacturing, sales and marketing, CT Tianqing has a clinical team of nearly 700 people and a biologics production capacity of 126,000 liters [2]. Combined with a leading domestic commercialization network, it serves as a dual hub for meeting the Group's internal needs and fostering strategic partnerships with MNCs. The Acquisition will strengthen control over core assets, release deeper synergistic value, and promote the advancement of the Group's strategies.

### *V. Key Milestones in Increasing the Controlling Stake in Core Assets*

Upon completion of the Acquisition, the Group's equity interests in CT Tianqing will increase from 60% to 65%, further consolidating its controlling position. The higher stake will align the interests of the Company and CT Tianqing more closely, thereby enhancing governance efficiency. Going forward, the Group will continue to advance the consolidation of equity in its core assets, continuously enhancing its overall strength and long-term value in the capital markets.

[1] These consist primarily of in-house developed products, but also include products resulting from strategic partnerships with MNCs and in-licensed products.

[2] 86,000 liters have been completed, and 40,000 liters are under construction.

## SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

## DATE

11 September 2026

## PARTIES

(a) the Purchaser (a direct wholly-owned subsidiary of the Company)

(b) the Vendor

## SUBJECT MATTER

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Target Equity Interests (representing 100% of all the issued shares of the Target Company). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

As at the date of the Sale and Purchase Agreement, the Target Company is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. The Target Company indirectly holds a 5% equity interest in CT Tianqing. CT Tianqing focuses on pharmaceutical innovation and the research, development, production, and commercialization of high-quality medicines, and is committed to continuously providing patients with safe, effective and affordable treatment options.

## CONSIDERATION

The consideration for the Acquisition is RMB4,480,000,000, payable in cash by the Purchaser to the Vendor upon Completion.

The consideration was determined after arm's length's negotiation between the Purchaser and the Vendor after taking into account, among other things, (i) the valuation of the Target Company as at 31 July 2026 by the Valuer in the amount of RMB5,003,000,000; and (ii) the reasons for and benefits of the Acquisition.

The consideration payable in cash for the Acquisition will be funded from internal resources of the Group.

## VALUATION

### (1) Valuation approach

There are three generally accepted approaches to appraise the fair value of the total equity value of the Target Company and CT Tianqing, namely income approach, cost approach and market approach.

(a) The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

(b) The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history. The cost approach is also commonly considered appropriate for an entity with no substantive operating business, such as a shell company or an investment holding vehicle, where its value is primarily represented by its underlying assets and liabilities rather than future operating cash flows.

(c) The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable companies method computes a price multiple for publicly listed companies that are considered to be comparable to the target group and then applies the result to a base of the target group. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the target group and then applies the result to a base of the target group.

In this valuation regarding the fair value of the total equity value of the Target Company, (i) the Valuer first applied the market approach to assess CT Tianqing, in which the Target Company holds a 5% equity interest, and (ii) the Valuer then applied the cost approach to assess the Target Company, for the following reasons:

(a) Fair value derived from the market approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies are derived from market consensus. As there are a sufficient number of publicly listed companies similar in nature and business to CT Tianqing, their market capitalizations serve as reliable indicators of the market capitalization of CT Tianqing within its industry. Accordingly, the market approach has been adopted in this valuation to derive the total equity value of CT Tianqing, from which the value of the 5% equity interest held by the Target Company is derived on a pro-rata basis. As the Target Company is a shell company with no operating business, the market approach has not been adopted for the Target Company.

(b) The cost approach is appropriate in deriving the total equity value of the Target Company, because the Target Company has no substantive operating business and functions primarily as a shell company holding a 5% equity interest in CT Tianqing. As the value of the Target Company is mainly represented by its identifiable assets and liabilities rather than by independent operating cash flows, the cost approach is adopted to assess the fair value of the Target Company in this valuation. By contrast, as CT Tianqing has a substantive operating business, the cost approach is not considered appropriate for CT Tianqing.

(c) The income approach is considered inappropriate as the financial projections of the Target Company and CT Tianqing would involve numerous assumptions which may not adequately reflect the uncertainties inherent in the Target Company's and CT Tianqing's future performance. As inappropriate assumptions would have a significant impact on the fair value, the income approach has not been adopted in this valuation.

**(2) Valuation assumptions**

The assumptions adopted in this valuation include:

(a) There will be no material changes in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company and CT Tianqing;

(b) There are no material changes in the financial positions of the Target Company, CT Tianqing and the comparable companies between the respective financial reporting dates and the Valuation Date;

(c) The Target Company and CT Tianqing will not be constrained by the availability of finance;

(d) The Target Company and CT Tianqing will retain competent management, key personnel and technical staff to support their ongoing operations; and

(e) There are no hidden or unexpected conditions associated with the business entity valued that might adversely affect the reported value.

**(3) Selected comparables under the market approach**

Under the market approach, comparable companies method was selected as the primary method for the valuation of the total equity value of CT Tianqing. In applying the comparable companies method, the Valuer selected the comparable public companies based on the following selection criteria:

(a) The industry of the company is classified as biotechnology;

(b) The company is engaged in research, development and manufacturing of oncology medicines related business mainly in Chinese Mainland and/or Hong Kong;

(c) The company is listed on the stock exchanges of Chinese Mainland and Hong Kong;

(d) The net profit has been positive for the last two financial years;

(e) The market capitalization of the company is above RMB50 billion as at the Valuation Date;

(f) The financial information of the companies is available to the public.

The Valuer identified an exhaustive list of six comparable companies that engaged in research, development and manufacturing of oncology medicines related business. The Valuer considered that the selected companies are fair and representative comparable companies to CT Tianqing. As each selected company derives a portion of its total revenue from research, development and manufacturing of oncology medicines related business, these selected companies, together with CT Tianqing, are considered to be similarly subject to fluctuations in the economy and performance of the biotechnology industry, among other factors. Accordingly, the Valuer considered that they are subject to similar industry risks and rewards.

Details of the selected comparable companies are set out as follows:

| # | Company Name | Stock Code | Listing Location | Business Description | Market capitalisation as at the Valuation Date (Note) (RMB Million) | LTM Adjusted Net Profit Attributable to Owners of the Parent Company (Note) (RMB Million) | P/E Multiple |
|---|---|---|---|---|---|---|---|
| 1 | CSPC Pharmaceutical Group Limited | SEHK:1093 | Hong Kong Stock Exchange | A leading innovative pharmaceutical group in China engaged in the research, development, manufacturing and marketing of chemical drugs, biologics and active pharmaceutical ingredients (APIs). The company focuses on multiple therapeutic areas including oncology, central nervous system, anti-infectives metabolic diseases and autoimmune disorders. | 85,575 | 2,965 | 28.86x |
| 2 | Hansoh Pharmaceutical Group Company Limited | SEHK:3692 | Hong Kong Stock Exchange | A fully integrated pharmaceutical company primarily focused on the research and development of novel drugs. The company operates across multiple major therapeutic areas including oncology, central nervous system (CNS), anti-infectives, metabolic diseases and autoimmune disorders. | 168,915 | 5,555 | 30.41x |
| 3 | Jiangsu Hengrui Pharmaceuticals Co., Ltd | SHSE:600276 | Shanghai Stock Exchange | A leading innovative pharmaceutical company in China engaged in the research, development, manufacturing and sales of pharmaceutical products. The company covers a wide range of therapeutic areas, with a strong focus on oncology, surgical medications, and ophthalmic treatments. | 357,738 | 7,723 | 46.32x |
| 4 | Shanghai Allist Pharmaceuticals Co., Ltd. | SHSE:688578 | Shanghai Stock Exchange | A research-driven pharmaceutical company specializing in the development and commercialization of innovative oncology drugs. The company is dedicated to addressing significant unmet medical needs in lung cancer and other solid tumors through proprietary small molecule therapeutics. | 50,040 | 2,258 | 22.16x |

| # | Company Name | Stock Code | Listing Location | Business Description | Market capitalisation as at the Valuation Date (Note) (RMB Million) | LTM Adjusted Net Profit Attributable to Owners of the Parent Company (Note) (RMB Million) | P/E Multiple |
|---|---|---|---|---|---|---|---|
| 5 | Shanghai Fosun Pharmaceutical (Group) Co., Ltd. | SHSE:600196 | Shanghai Stock Exchange | A global healthcare conglomerate with a diversified business encompassing pharmaceuticals, medical devices, hospital operations and healthcare services. The company adopts a hybrid model integrating independent R&D, in-licensing and out-licensing to build its innovative drug pipeline. | 57,057 | 2,430 | 23.48x |
| 6 | Sino Biopharmaceutical Limited | SEHK:1177 | Hong Kong Stock Exchange | An integrated pharmaceutical enterprise engaged in the research, development, manufacturing and distribution of pharmaceutical products. The company has a broad portfolio covering multiple therapeutic areas including oncology, liver disease, pain management and respiratory system. | 81,344 | 4,541 | 17.91x |
| | | | | | | Maximum | 46.32x |
| | | | | | | Minimum | 17.91x |
| | | | | | | **Median** | **26.17x** |
| | | | | | | Average | 28.19x |

*Notes:*

1) Amounts originally denominated in currencies other than RMB have been translated into RMB at the following mid-rate:0.8656 RMB/HKD sourced from the People's Bank of China as at 31 July 2026.

2) The equity value of the comparable companies is computed based on the market capitalization of the companies as at 31 July 2026 sourced from Wind Financial Terminal. The adjusted net profit attributable to owners of the parent company is based on the latest financial report available for the last twelve-month profit attributable to owners of the parent (excluding non-recurring items) of the comparable companies that could be obtained as of the Valuation Date.

## (4) Key parameters under the market approach

### *(a) Valuation multiple*

In respect of the appropriate valuation multiples for the valuation of CT Tianqing, the Valuer considered the following:

(i) **Price-to-book ("P/B") multiple:** is considered not appropriate for the valuation of CT Tianqing because book value captures only the tangible assets of a company. Where a company creates added market value (as reflected by a P/B multiple greater than one), that additional value arises from its own intangible competencies and advantages. These intangible company-specific competencies and advantages are not captured in the P/B multiple and so in general, the equity's book value has little bearing on its fair value. Thus, the P/B multiple is not a good measurement of the fair value of a company.

(ii) **Enterprise value/sales ("EV/S") multiple:** is commonly used in the valuation of start-up enterprises. However, it ignores the cost structure of a company and hence the profitability of a company, which is critical in reflecting the fair value. Hence, the Valuer is of the view that it is not appropriate to adopt the EV/S multiple to assess the fair value of CT Tianqing.

(iii) **Enterprise value/earnings before interests, taxes, depreciation and amortization ("EV/EBITDA") multiple:** measures the performance of the subject entity's core operation by removing the impact of cost of capital, tax effects on earnings, depreciation and amortisation, which eliminates the difference in capital structure among companies. Enterprise value ("**EV**") is generally derived based on the market capitalization of a company, plus net debt (total debt minus cash and cash equivalents), preferred shares and minority interest. However, in practice it is often difficult to clearly distinguish whether certain income or expense items are operating or non-operating in nature. Such classification involves a degree of judgment and may reduce the comparability and reliability of the EBITDA figures across the selected comparable companies. Thus, the EV/EBITDA multiple has not been adopted in this valuation.

(iv) **Price-to-earnings ("P/E") multiple:** The P/E multiple is considered the most appropriate indicator of the fair value of CT Tianqing. It measures value directly at the equity level, which is consistent with the interest being appraised, and it is meaningful in the present case because CT Tianqing's net profit attributable to owners of the parent has been positive in recent years.

The P/E multiples of comparable companies are set out in the table above. The median was selected as it is more representative for this sample of six comparable companies with variability because it resists distortion from extreme values, providing a more stable measure of the center than the mean. By focusing on the middle value rather than all data points, it better represents typical observations in skewed or outlier-prone datasets.

### (b) Discount for Lack of Marketability

Discount for Lack of Marketability ("**DLOM**") reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The P/E multiples adopted in the valuation were calculated from publicly listed companies, which represent marketable ownership interest. Fair values calculated using such P/E multiples, therefore, represent the marketable interest. Thus, DLOM was adopted to adjust the fair value of such marketable interest to the fair value of non-marketable interest.

The report "Stout Restricted Stock Study Companion Guide (2025 edition)" by Stout Risius Ross, LLC, a reputable research company, suggested an average marketability discount of 20.40% which is based on 783 private placement transactions of unregistered ordinary shares issued by publicly listed companies from July 1980 through March 2025. A marketability discount of 20.40% is considered appropriate and suitable for the valuation of CT Tianqing as CT Tianqing is a privately held company.

## (5) Valuation results

### (a) Market approach

| | *RMB million* |
|---|---|
| LTM Adjusted Net Profit Attributable to Owners of the Parent Company of CT Tianqing *(Note)* | 7,092 |
| Adopted P/E Multiple | 26.17x |
| Total Equity Value of CT Tianqing (Marketable Basis) | 185,569 |
| Less: Lack of Marketability Discount (20.40% x Total Equity Value of CT Tianqing (Marketable Basis)) | (37,856) |
| Total Equity Value of CT Tianqing (Non-Marketable Basis) | 147,713 |
| **5% Equity Value of CT Tianqing (Non-Marketable Basis)** | **7,386** |

*Note:*

Based on the financial information provided by the management, the LTM adjusted net profit attributable to owners of the parent company of CT Tianqing is calculated as below:

| | *RMB million* |
|---|---|
| **LTM Net Profit Attributable to Owners of the Parent Company** | **6,814** |
| Add: Net Fair Value (Gains)/Losses on Current Equity Investments (After Tax) | 217 |
| Add: Share-based Compensation Expenses (After Related Non-Controlling Interests) (After Tax) | 61 |
| **LTM Adjusted Net Profit Attributable to Owners of the Parent Company** | **7,092** |

## *(b) Cost approach*

| | **RMB million**<br>**2026/7/31**<br>**Fair Value[(3)]** |
|---|---|
| Cash and Cash Equivalents | 34 |
| Other Receivables | 0 |
| **Total Current Assets** | **34** |
| Other Equity Instrument Investments[(1)] | 7,386 |
| **Total Non-Current Assets** | **7,386** |
| **Total Assets** | **7,420** |
| Interest Payable | (2) |
| Other Payables | (0) |
| **Total Current Liabilities** | **(2)** |
| Long-term Borrowings | (2,415) |
| **Total Non-Current Liabilities** | **(2,415)** |
| **Total Liabilities** | **(2,417)** |
| **Total Shareholders' Equity[(2)]** | **(5,003)** |
| **Total Equity and Liabilities** | **(7,420)** |

*Notes:*

(1) This represents the investment in CT Tianqing, and its fair value is derived by the market approach.

(2) The fair value of the total equity value of the Target Company is RMB5,003 million under the cost approach.

(3) The financial statements of CT Tianqing and the Target Company as of 30 June 2026 are the latest available financial information provided by the management. (a) The fair values of cash and cash equivalents, interest payable and long-term borrowings are considered to approximate their respective carrying amounts as at 30 June 2026. This is on the basis that: (i) cash and cash equivalents are highly liquid and subject to insignificant risk of changes in value; (ii) interest payable is short-term in nature and the effect of discounting is immaterial; and (iii) the interest rates on the interest-bearing borrowings approximate the prevailing market rates for similar instruments with comparable credit risk and remaining maturity. (b) Considering there is no material difference in the financial position of CT Tianqing between July 2026 and June 2026, it is reasonable to make fair value adjustments to calculate fair value as of 31 July 2026 based on the financial information as of 30 June 2026.

## (6) Valuer's qualifications and experience

The Valuer was Mr. Vincent C B Pang, Managing Partner of AVISTA Valuation Advisory Limited. Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He holds CFA, FCPA(HK), FCPA (Aus.), MRICS, RICS Registered Valuer. He has over 25 years' experience in valuation advisory, M&A advisory, business consulting and corporate investment, advising clients in a range of industries, including TMT, financial services, pharmaceutical, energy etc., thereby leading these companies to achieve breakthroughs in these areas.

## (7) The Board's assessment

The Board (including the independent non-executive Directors) has reviewed the valuation, including the valuation approaches and methods, the assumptions and the key parameters adopted by the Valuer, and has discussed the same with the Valuer. In assessing whether the valuation provides a fair and reasonable basis for determining the consideration, the Board has taken into account the following:

(a) the qualifications and relevant experience of the Valuer (details of which are set out above), and the fact that the Valuer is a third party independent of the Company and its connected persons;

(b) the appropriateness of the two-step approach adopted by the Valuer. The Board concurs with the Valuer that, as the Target Company is an investment holding vehicle whose only substantive asset is its 5% equity interest in CT Tianqing and which generates no independent operating cash flows, the cost approach is the appropriate approach for the Target Company; and that, as CT Tianqing carries on a substantive operating business, the market approach is the appropriate approach for determining the fair value of that 5% equity interest;

(c) the appropriateness of the P/E multiple as the valuation multiple. The Board concurs with the Valuer that, as CT Tianqing has recorded positive net profit attributable to owners of the parent, an earnings-based multiple is a more meaningful indicator of value than the P/B multiple (which does not capture intangible assets, which are significant to a business of CT Tianqing's nature), the EV/S multiple (which does not capture cost structure or profitability) or the EV/EBITDA multiple (which is affected by judgement in the classification of operating and non-operating items);

(d) the basis on which the comparable companies were selected. The Board has reviewed the selection criteria and noted that they were applied on a cumulative basis, each selected company derives a portion of its total revenue from the research, development and manufacturing of oncology medicines, and that the list of six comparable companies is exhaustive, no company satisfying the criteria having been excluded. The Board accordingly considers the selected companies to be a fair and representative sample of comparable companies for the purposes of valuing CT Tianqing;

(e) the range of the P/E multiples of the six comparable companies for which a P/E multiple is meaningful, being from 17.91 times to 46.32 times. The Board considers that a range of this width is not unusual and is to be expected, as it reflects company-specific factors such as differences in scale of operations, product and pipeline mix, stage of development, profitability, growth profile, market sentiment and trading liquidity. The Board is of the view that a range of this nature does not, of itself, render any individual comparable company unsuitable for inclusion or undermine the reliability of the comparable companies taken as a whole. Rather than adopting the highest or the lowest multiple, which may be distorted by company-specific or one-off factors, the Valuer adopted the median multiple of 26.17 times. The Board considers the median to be a fair, balanced and commonly adopted measure which mitigates the effect of the two comparable companies at both the upper and lower end of the range without excluding any comparable company on a subjective basis. By focusing on the middle value rather than all data points, it better represents typical observations in skewed or outlier-prone datasets; and

(f) appropriate adjustments through the liquidity discount rate have been made by the Valuer to account for the differences between CT Tianqing and the comparable companies (taking into account the fact that the comparable companies are listed whereas CT Tianqing is not), such that the differences between CT Tianqing and the comparable companies have been reasonably taken into account in arriving at the valuation of CT Tianqing. In addition, the Board noted that the discount for lack of marketability of 20.40% is derived from an empirical study of 783 private placement transactions published by an independent research firm, which is a commonly adopted source of valuations of this nature.

Having considered the above, the Board (including the independent non-executive Directors) is of the view that the valuation provides a fair and reasonable basis for determining the consideration.

The consideration of RMB4,480,000,000 represents a discount of approximately 10.5% to the appraised fair value of the total equity value of the Target Company of approximately RMB5,003 million as at the Valuation Date. Having considered the above, and having also taken into account the reasons for and benefits of the Acquisition described in the section headed "Reasons for and Benefits of the Acquisition" in this announcement, including that the Acquisition will increase the Group's attributable interest in the earnings of CT Tianqing, an existing subsidiary of the Company, at a discount to the appraised fair value of the Target Company, the Board (including the independent non-executive Directors) is of the view that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## CONDITIONS PRECEDENT

Completion shall be conditional upon the satisfaction (or waiver by the Purchaser) of the following conditions precedent:

(a) the representations, warranties, and undertakings made by the Vendor pursuant to the Sale and Purchase Agreement are true, accurate and not misleading in all material respects, as at the date of the Sale and Purchase Agreement and the date of Completion;

(b) the Vendor has complied with and fulfilled its obligations under the Sale and Purchase Agreement that were due to be complied with and fulfilled on or before the date of Completion; and

(c) no events have occurred since the date of the Sale and Purchase Agreement that have had a material adverse effect on the financial position or operations of any Target Group Company.

If any condition precedent is not satisfied (or waived by the Purchaser) on or before 10 October 2026 (which may be extended by the parties in mutual agreement), the Purchaser may terminate the Sale and Purchase Agreement by notice in writing to the Vendor. Upon termination of the Sale and Purchase Agreement, neither party shall be liable for any liabilities nor seek to enforce any obligations under the Sale and Purchase Agreement, except for liabilities and obligations incurred prior to termination and any surviving provisions.

**COMPLETION**

Subject to the satisfaction (or waiver by the Purchaser) of the above conditions precedent, Completion shall take place on 16 September 2026 or such other date as may be agreed by the parties.

As at the date of this announcement, the Target Company is 100% owned by the Vendor.

After Completion, the Target Company will be 100% owned by the Purchaser. The Company's equity interests in CT Tianqing will increase from 60% to 65%. The Target Company and its subsidiaries will become subsidiaries of the Company, and their results will be consolidated into the results of the Company.

**FINANCIAL INFORMATION ON THE TARGET GROUP**

The Target Company and its subsidiaries are all investment holding companies. Apart from holding interests in subsidiaries, a 5% equity interest in CT Tianqing and cash, as at the date of the Sale and Purchase Agreement, the Target Company and its subsidiaries did not hold any corporate interests or assets.

The following sets forth the Target Company's unaudited consolidated financial information for the two financial years ended 31 December 2024 and 31 December 2025:

| | **For the year ended 31 December 2024** *(RMB'000)* (Unaudited) | **For the year ended 31 December 2025** *(RMB'000)* (Unaudited) |
|---|---|---|
| Net loss before taxation | (10) | (11) |
| Net loss after taxation | (10) | (11) |

The following sets forth certain consolidated financial information of CT Tianqing for the two years ended 31 December 2024 and 2025 (audited) and the six months ended 30 June 2026 (unaudited), prepared in accordance with the PRC Generally Accepted Accounting Principles:

| | **For the year ended 31 December 2024** *(RMB'000)* (Audited) | **For the year ended 31 December 2025** *(RMB'000)* (Audited) | **For the six months ended 30 June 2026** *(RMB'000)* (Unaudited) |
|---|---|---|---|
| Net profit before taxation | 6,156,544 | 6,837,009 | 6,065,422 |
| Net profit after taxation | 5,598,138 | 5,820,711 | 5,287,158 |

The unaudited consolidated net assets of the Target Company was approximately RMB1,067,510,000 as at 30 June 2026.

## INFORMATION ON THE PARTIES

### The Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in investment holding.

The Company is primarily engaged in the pharmaceutical business with a focus on the research and development, manufacturing, and selling of biopharmaceutical and chemical medicines.

### The Vendor

As at the date of the Sale and Purchase Agreement, the Vendor is an executive Director and substantial shareholder of the Company. The Vendor, either directly or through companies controlled by him, holds 4,055,000,000 shares of the Company, representing approximately 21.70% of the issued share capital of the Company.

As the Target Company was incorporated by the Vendor and was not acquired from a third party, there is no original acquisition cost in respect of the Target Equity Interests. As at the date of this announcement, the issued share capital of the Target Company is US$1.

## OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser has considered the terms of the Acquisition (including the determination of the consideration for the Target Equity Interests), the valuation report from the Valuer, and the reasons for and benefits of the Acquisition. The Independent Financial Adviser is of the opinion that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable and the entering into of the Sale and Purchase Agreement and the Acquisition are conducted on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

## OPINION OF THE BOARD

The Company is principally engaged in the pharmaceutical business with a focus on the research and development, manufacturing, and selling of biopharmaceutical and chemical medicines. The subsidiaries of the Group are located in Beijing, Shanghai, Nanjing, Lianyungang among others with multiple manufacturing sites. Since its inception, the Group has continued to boast outstanding achievements and robust growth.

As at the date of this announcement, the Company holds a 60% equity interest in CT Tianqing, one of the core member companies of the Group. CT Tianqing focuses on pharmaceutical innovation and the research, development, production, and commercialization of high-quality medicines, and is committed to continuously providing patients with safe, effective and affordable treatment options. Rooted in China and oriented toward the global market, CT Tianqing has developed into a renowned innovative pharmaceutical group in the fields of oncology, hepatology and respiratory diseases. As a national key high-tech enterprise and a core backbone enterprise of the Lianyungang new pharmaceutical industry base under the National Torch Program, CT Tianqing ranks the 9th on the "List of Top 100 Pharmaceutical Industrial Enterprises in China" and was the "Best Industrial Enterprise for Chinese Pharmaceutical R&D Product Lines", demonstrating its leading strength across the industry.

As at the date of the Sale and Purchase Agreement, the Target Company indirectly held a 5% equity interest in CT Tianqing. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the Company's indirect equity interest in CT Tianqing will increase from 60% to 65%.

The Directors believe that the Acquisition is in line with the Company's long-term development strategy of focusing on its core pharmaceutical business. By further increasing its equity interest in CT Tianqing, the Company will be able to, among other things: (i) increase the Group's equity interest in CT Tianqing, thereby correspondingly increasing the Group's share of future profits of CT Tianqing; (ii) consolidate the Company's control and strategic leadership over such core member company, thereby strengthening internal business synergies within the Group; and (iii) capitalize on the growth potential of CT Tianqing in the research, development, commercialization and internationalization of innovative drugs, and to further promote the comprehensive implementation of the Group's four major strategies, thereby creating long-term value for the Company and the Shareholders. The Directors believe that the Acquisition aligns with the strategic plan of the Group and is expected to bring a positive financial contribution to the Company.

The Board (including the independent non-executive Directors), having considered the advice of the Independent Financial Adviser, the reasons for and benefits of the Acquisition, and the above factors, is of the view that the terms of the Sale and Purchase Agreement (including the consideration and the basis of its determination, as detailed in the section headed "Consideration" in this announcement) and the Acquisition are fair and reasonable; that the entering into of the Sale and Purchase Agreement and the Acquisition were conducted on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. In light of Mr. Tse, Eric S Y's interest as the Vendor and as one of good corporate governance measures, Mr. Tse, Eric S Y, together with Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling and Mr. Tse Hsin, have abstained from voting on the relevant Board resolutions. Apart from the aforementioned Directors, no Director has any material interest in the Acquisition or has abstained from voting on the resolutions relating to the Acquisition.

## LISTING RULES IMPLICATIONS

The Vendor is an executive Director and a substantial shareholder of the Company, and is therefore a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the Acquisition constitutes a connected transaction of the Company. As the highest applicable percentage ratio of the Acquisition exceeds 0.1% but is below 5%, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

| | |
|---|---|
| "Acquisition" | the acquisition of the Target Equity Interests by the Purchaser subject to and upon with the terms and conditions of the Sale and Purchase Agreement |
| "Board" | the board of Directors |
| "Company" | Sino Biopharmaceutical Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1177) |
| "Completion" | completion of the sale and purchase of the Target Equity Interests in accordance with the Sale and Purchase Agreement |
| "connected person" | has the meaning ascribed thereto under the Listing Rules |
| "CT Tianqing" | Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司), a company incorporated in the PRC with limited liability |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "Independent Financial Adviser" | Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, acting as the Independent Financial Adviser of the Company in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "LTM" | last twelve months |
| "PRC" | the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| "Purchaser" | Chia Tai Pharmaceutical (Lianyungang) Company Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Sale and Purchase Agreement" | the Sale and Purchase Agreement dated 11 September 2026 entered into by the Purchaser and the Vendor regarding the sale and purchase of the Target Equity Interests |
| "Shareholder(s)" | shareholder(s) of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "substantial shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Target Company" | Sino Harmony Ventures Limited, a company incorporated in the British Virgin Islands with limited liability |
| "Target Group" | the Target Company and its subsidiaries, and "Target Group Company" should be construed accordingly |
| "Valuation Date" | 31 July 2026 |
| "Valuer" | AVISTA Valuation Advisory Limited, an independent qualified valuer |

| | |
|---|---|
| "Vendor" | Mr. Tse, Eric S Y, an executive Director and a substantial shareholder of the Company |
| "Target Equity Interests" | one (1) share of the Target Company, representing 100% of the issued shares of the Target Company |

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

Hong Kong, 11 September 2026

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