Sinopharm Tech Holdings Limited
國藥科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8156)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF UNLISTED EQUITY SECURITIES

THE DISPOSAL

The Board hereby announces that on 12 June 2025 (after trading hours of the Stock Exchange), the Vendor (a direct wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser regarding the sale of the Unlisted Equity Securities to the Purchaser at the Consideration of HK$3,643,122.70.

Following the Completion, the Company will cease to have any interest in the Target Company.

IMPLICATIONS OF THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules and after consultation with the Stock Exchange) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board announces that on 12 June 2025 (after trading hours of the Stock Exchange), the Vendor (a direct wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser regarding the sale of the Unlisted Equity Securities to the Purchaser.

THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date

12 June 2025 (after trading hours of the Stock Exchange)

Parties

(i) the Vendor (a direct wholly-owned subsidiary of the Company); and

(ii) the Purchaser.

Assets to be disposed of

Subject to the terms and conditions of the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Unlisted Equity Securities. Immediately before Completion, the Vendor is the legal and beneficial owner of the Unlisted Equity Securities.

Consideration

The Consideration for the sale and purchase of the Unlisted Equity Securities is HK$3,643,122.70, which shall be satisfied by the Purchaser at Completion by way of accepting the novation of the Debt by the Purchaser as new debtor pursuant to the Deed of Novation to be executed and delivered at the Completion.

The Consideration was determined by the parties to the Agreement after arm's length negotiations with reference to the valuation of the Unlisted Equity Securities (the "**Valuation**") at HK$3,600,000 as appraised by independent valuer, Roma Appraisals Limited (the "**Valuer**"), using the benchmark date of 31 March 2025 (the "**Valuation Benchmark Date**") in accordance with the International Valuation Standards. The Valuer has compared the enterprise-value-to-EBITDA (**"EV/EBITDA"**) of the Target Company under the market approach with those of 5 companies identified on the Stock Exchange which operate business similar to the Target Company in Hong Kong, with going concern and no material change assumptions and lack-of-marketability discount.

Conditions Precedent

Completion is conditional upon the compliance by the Company and the Vendor of all applicable requirements under the GEM Listing Rules and the applicable laws in respect of the Agreement and the transactions contemplated thereunder ("**Conditions**").

If any of the Conditions shall not have been fulfilled by the Long Stop Date, then the Purchaser shall not be bound to proceed with the purchase of the Unlisted Equity Securities and the Agreement shall cease to have any effect and no party thereto shall have any claim under it against the other (without prejudice to the rights of any party in respect of any antecedent breaches).

Completion

Completion shall take place on the Completion Date.

VALUATION

According to the Valuation made by the Valuer in respect of the Unlisted Equity Securities, the market value of the Unlisted Equity Securities as at 31 March 2025 was HK$3,600,000.

Valuation methodology

In arriving at the Valuation, the Valuer has considered the commonly used valuation methodologies, including the cost approach, the income approach, and the market approach. The Valuer opted for the market approach due to specific reasons. The income-based approach was not adopted in this instance as it would have required numerous assumptions, potentially leading to a significant impact on the valuation if inappropriate assumptions were made. Similarly, the asset-based approach was not adopted as it could not capture the future earning potential of the Target Company, thus failing to reflect its market value. Therefore, the Valuer adopted the market-based approach to determine the market value of the Target Company.

Under the market-based approach, the Valuer has considered both the guideline public companies method and the guideline public transaction method to determine the market value of the target company. The guideline public transaction method was not adopted due to the lack of adequate direct comparable transactions in the market for reference. On the other hand, the guideline public companies method was adopted since there are sufficient identifiable public companies engaged in similar business activities as the Target Company.

Assumptions

The assumptions of the Valuation included, but were not limited to the following:

1. The unaudited consolidated financial statements of the Target Company as at 28 February 2025 could reasonably represent its financial position since the audited financial statements of the Target Company as at the Valuation Benchmark Date were not available.

2. All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry with minimal costs.

3. There will be sufficient supply of technical staff in the industries in which the Target Company operates, and the Target Company will retain competent Management, key personnel and technical staff to support its ongoing operations and developments.

4. There will be no major change in the current taxation laws in the localities in which the Target Company operate or intend to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.

5. There will be no major change in the political, legal, economic or financial conditions in the localities in which the Company operate or intend to operate, which would adversely affect the revenues attributable to and profitability of the Target Company.

Valuation Multiple

In adopting the guideline public companies method under the Market-Based Approach, the Valuer needed to ascertain the appropriate valuation multiples of comparable companies. This involved considering various metrics such as price-to-sales (P/S), price-to-earnings (P/E), price-to-book (P/B), enterprise-value-to-EBIT (EV/EBIT), enterprise-value-to-EBITDA (EV/EBITDA), and enterprise-value-to-sales (EV/Sales) ratio in the valuation process.

In-depth analysis of the rationale behind excluding specific ratios and the justification for opting for the EV/EBITDA multiple is as following:

Price to Sales (P/S) and Enterprise Value to Sales (EV/Sales) Ratios: These metrics were excluded because they could not adequately reflect the cost structure of the Company.

Price to Earnings (P/E) Ratio: The P/E ratio was not utilized due to its inability to account for differences in capital structure, interest, and depreciation and amortization expenses between the target company and its comparable peers.

Price to Book (P/B) Ratio: Given that the Company and similar entities do not heavily rely on their assets for operations, the P/B ratio was not considered an appropriate metric.

Reason for Adopting EV/EBITDA Ratio: The EV/EBITDA ratio was chosen for its comprehensive view of a company's total value by considering both equity and debt. Unlike market capitalization, which focuses solely on equity, EV/EBITDA provides insights into operational performance without non-operating expenses and financing decisions. By using EV/EBITDA, the impact of capital structure is minimized, emphasizing core operational earnings. After analyzing the Target Company's capital and cost structures, the EV/EBITDA multiple was considered the most appropriate for determining its market value.

Selection Criteria of Comparable Companies

The EV/EBITDA multiple adopted was determined with reference to the EV/EBITDA of 5 comparable companies identified by the Valuer, all of which are:

1. The companies primarily operate within the healthcare service sector, specializing in medical consulting services in Hong Kong.
2. The companies (or its holding companies thereof) are publicly listed on the Stock Exchange.
3. The companies possess adequate listing and operational track records.
4. Financial data of the companies are publicly accessible.

Comparable Companies

The list of comparable companies and the relevant details of the comparable companies selected are set out below:

Company	Business description	Stock Code	EV/EBITA
PuraPharm Corp Ltd	PuraPharm Corp Ltd is a pharmaceutical company that develops medicine. The company researches and develops traditional Chinese medicine.	1498.HK	12.31
Beijing Tong Ren Tang Chinese Medicine Co. Ltd.	Beijing Tong Ren Tang Chinese Medicine Co. Ltd. is a Chinese medicine manufacturer. The company mainly develops and produces health products, including patent medicines and health-care products.	3613.HK	8.40
Wai Yuen Tong Medicine Holdings Limited	Wai Yuen Tong Medicine Holdings Limited, through its subsidiaries, manufactures and sells Chinese and western pharmaceutical products.	897.HK	7.40
MediNet Group Ltd	MediNet Group Ltd provides corporate medical and dental solutions to customers through the design of tailored medical and/or dental benefits plans. The company has several locations throughout Hong Kong.	8161.HK	4.43
Kato Hong Kong Holdings Limited	Kato Hong Kong Holdings Limited provides health care facilities.	2189.HK	5.67

Lack of Marketability Discount

Compared to similar interest in public companies, ownership interest is not readily marketable for privately held companies. Therefore, the value of a share of stock in a privately held company is usually less than an otherwise comparable share in a publicly held company. With reference to the result of the restricted stock study published in “Stout Restricted Stock Study 2023” by Stout Risius Ross, LLC, a discount for lack of marketability of 32.70% of the health services sector was adopted in arriving at the market value of the Target Company as at the Valuation Benchmark Date.

Control Premium

Given that the Unlisted Equity Securities are not controlling interest in the Target Company, control premium is not applicable.

Valuation Discussion and Summary

The valuation summary of the Target Company is as follow:

Items	HKD
EBITDA	3,565,178
EV/EBITA ratio	7.39
Net Cash/Debt adjustments	4,357,158
Net NOA/NOL adjustments	(2,093,822)
Marketability discount	32.70%
Equity Value	19,265,327
Shareholding %	19.05%
Control premium	Not Applicable
Subject Equity Value	3,600,000

Premise of Valuation and Basis of Valuation

The valuation is conducted on market value basis which is defined as follows. According to the International Valuation Standards established by the International Valuation Standards Council in 2025, Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Views of the Board on the Valuation

The Board has reviewed and analyzed the assumptions and methodology of the Valuation and has made reasonable enquiries to the Valuer and the Company’s management about the same, which included but not limited to the approach adopted, EV/EBITA Ratio for the preparation of the Valuation, comparable listed companies selected by the Valuer, key specific assumption in arriving at the Valuation and the calculation of the Valuation. The Board is satisfied that the Comparable Companies selected by the Valuer, and the methodology and assumptions made in the Valuation are appropriate. Therefore, the Board is of the view that the Valuation to be a fair and reasonable reference to the Consideration.

INFORMATION ON THE TARGET COMPANY

As at the date of this announcement, the Target Company is an investment holding company incorporated in the BVI. The Target Company holds 100% of the equity interests in Kenford. Kenford is a company incorporated in Hong Kong with limited liability, which is one of the largest modernized Chinese medical clinic groups in Hong Kong.

The Group held approximately 19.05% equity interest in the Target Company (which the Unlisted Equity Securities represents), which is accounted for as financial assets measured at fair value through profit or loss ("**FVTPL**") of the Company in the financial statements of the Group. Save for the Unlisted Equity Securities, the Group does not have any other interest in the Target Company. Other shareholders of the Target Company comprise 5 individual shareholders, who are Independent Third Parties.

Set out below is the financial information of the Target Company for the two years ended 31 March 2024, based on information available to the Company in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2024 (audited)	For the year ended 31 March 2023 (audited)
Profit/(Loss) before taxation	1,122,910	1,174,822
Profit/(Loss) after taxation	636,637	1,150,088

The unaudited net assets of the Target Company as at 28 February 2025 amounted to approximately HK$26,102,000.

The unaudited financial assets measured at FVTPL in respect of the Unlisted Equity Securities as recorded in the consolidated accounts of the Company as at 31 December 2024 amounted to approximately HK$2,540,000 (30 June 2024: HK$2,540,000 (audited)). The Group recorded a fair value loss on the financial assets at FVTPL of HK$2,734,000 (audited) for the financial year ended 30 June 2024.

FINANCIAL EFFECTS OF THE DISPOSAL

The Group is expected to recognise a gain of approximately HK$1,103,000 from the Disposal, which is calculated based on the Consideration of HK$3,643,122.7 and the FVTPL in respect of the Unlisted Equity Securities as at 31 December 2024 of approximately HK$2,540,000 (unaudited). The actual gain or loss in connection with the Disposal may be different from the above and will be determined based on the financial position of the Target Company as at Completion.

Following Completion, the Group will cease to hold any interest in the Target Company.

The Consideration for the Disposal by way of the Deed of Novation shall release and discharge the Vendor from all liabilities and obligations in relation to the repayment of the Debt. There will be no cash payment by the Purchaser to the Vendor. As a result of the Disposal, the Group will not be required to remeasure the fair value of the Unlisted Equity Securities on the respective financial reporting period end dates with effect from Completion.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the provision of (i) Internet Plus solution services; (ii) supply chain services; and (iii) manufacturing and distribution of personal protective equipment.

The Vendor is a company incorporated in Hong Kong with limited liability. It is a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Purchaser is an investment holding company incorporated in the BVI, ultimately held by Mr. Lee Tsung-Ta, and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is in line with the Company's strategy to focus on its principal business and optimize its investment portfolio. Given that the Company does not have control over the Target Company, the investment does not align with the Group's long-term strategic objectives. The transaction will allow the Group to reallocate capital more efficiently while generating additional cash flow to repay debt and strengthen the Company's financial position. This disposal reflects the Company's disciplined approach to capital management and commitment to enhancing shareholder value.

In view of the above, the Directors consider that entering into the Agreement and the terms of the Disposal, including the Consideration, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATONS OF THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules and after consultation with the Stock Exchange) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

"Agreement"	the sale and purchase agreement dated 12 June 2025 entered into between the Vendor and the Purchaser in relation to the Disposal
"Board"	the board of Directors
"Business Day"	a day on which commercial banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal being in force in Hong Kong)
"BVI"	British Virgin Islands
"Company"	Sinopharm Tech Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on GEM (Stock Code: 8156)
"Completion"	completion of the Disposal pursuant to the Agreement
"Completion Date"	the Business Day on which Completion shall take place, being a date falling within 5 Business Days after all the Conditions are satisfied or waived pursuant to the Agreement, or on such other date as may be agreed between the Vendor and the Purchaser in writing
"Consideration"	HK$3,643,122.70, being the consideration for the Unlisted Equity Securities
"Debt"	a debt and interest accrued thereon in the total sum of HK$3,643,122.70 owed by the Vendor to Kenford immediately prior to the execution of the Agreement and the Completion, which is repayable upon demand by Kenford as creditor at any time

"Deed of Novation"	the deed of novation to be executed by the Vendor as original debtor, the Purchaser as new debtor and Kenford as creditor at Completion, pursuant to which the Purchaser agrees to assume all the liabilities and obligations in relation to the repayment of the Debt and the Vendor shall be released and discharged from all such liabilities and obligations, in the form as agreed by the parties thereto
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Unlisted Equity Securities by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)
"Kenford"	Kenford Medical Group Company Limited, a company incorporated in Hong Kong with limited liability on 21 June 2016, being a wholly-owned subsidiary of the Target Company as at the date of this announcement
"Long Stop Date"	one month from the date of the Agreement or such other date as the parties thereto may agree in writing;
"PRC"	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan

"Purchaser"	Grace Fortune Global Limited, a company incorporated in the BVI, ultimately 100% held by Mr. Lee Tsung-Ta, and is principally engaged in the investment holding, and an Independent Third Party.
"Shareholder(s)"	registered holder(s) of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Ever Development Holdings Limited, a company incorporated in the BVI with limited liability on 21 May 2019 with a total of 2,100 shares in its issued share capital, the equity interest of which held by the Group is approximately 19.05% as at the date of this announcement
"Unlisted Equity Securities"	400 shares in the issued share capital of the Target Company, representing approximately 19.05% equity interest in the Target Company
"Vendor"	Sinopharm Tech Corporate Management Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
"%"	per cent

By order of the Board
Sinopharm Tech Holdings Limited
國藥科技股份有限公司
HO Kam Kin
Executive Director

Hong Kong, 12 June 2025

As at the date of this announcement, the Board comprises Mr. CHIU Sin Nang Kenny, Mr. HO Kam Kin and Ms. KWOK Shuk Yi as executive Directors, Dr. CHENG Yanjie as non-executive Director and Mr. LAU Fai Lawrence, Mr. HSU Dong An and Mr. HEUNG Pik Lun as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not *misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at https://www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at http://www.sinopharmtech.com.hk.