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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)

VOLUNTARY ANNOUNCEMENT ANTI-COUNTERFEITING BUSINESS EXPANDED INTO HEALTH SUPPLEMENTS INDUSTRY FIRST COVERAGE IN YUNNAN PROVINCE

This announcement is made by Sinopharm Tech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

As at the date of this announcement, the Company’s direct wholly-owned subsidiary entered into a commercial contract with Wenshan Houhong Trading Co., Ltd. (“**Houhong Trading**”) to supply the Guoke innovative anti-counterfeiting products (“**Guoke Innovative Anti-counterfeiting Products**”) for their sales of health supplements. Wenshan is the main origin of notoginseng and Wenshannotoginseng has been selected as the National Geographical Indication Product. Houhong Trading is principally engaged in the promotion and sales of notoginseng-related health supplements and various high value-added agricultural specialties. Houhong Trading who was recognized by the Wenshan Administration for Rural Revitalization for its contribution to the sales of local characteristic agricultural products, intends to establish greater value for the brand they sell by leveraging the capabilities of Guoke Innovative Anti-counterfeiting Products in terms of brand protection and brand endorsement. As such, the Group’s provision of Guoke Innovative Anti-counterfeiting Products has now been expanded to health supplements industry and the geographical coverage of contracted corporate users of the Group has been spread to Yunnan province for the first time. As of now, Guoke Innovative Anti-counterfeiting Products covers seven industries including tea leaves, natural food, cosmetics e-commerce platform, health food, beer, fruit distribution and health supplements industry, and the geographical coverage of contracted corporate users includes five provinces, namely, Gansu, Zhejiang, Qinghai, Shanghai and Yunnan province.

Guoke Innovative Anti-counterfeiting Products with patented technologies have four main features, namely, “anti-counterfeiting”, “credibility”, “marketing” and “social responsibility” while using the complete chain of anti-counterfeiting system together with anti-counterfeiting packaging and online anti-counterfeiting information verification platform as the core. Guoke

Innovative Anti-counterfeiting Products can perform with various functions and properties depending on different application scenarios, redefining the traditional anti-counterfeiting technology and attracting customers to actively participate in the authentication of products. Through the “Trio Code” (三碼合一) entrance, consumers could easily enter the online anti-counterfeiting information verification platform, forming a closed loop of functions, such as authentication of products and interactive marketing, thus creating a unique way of marketing.

The Group's strategy to implement across-industry and across-region commercialization of anti-counterfeiting products is beginning to bear fruit. In view of the nature of replicable business model of our innovative anti-counterfeiting products, the Group is confident that we will continue to apply and expand the coverage of our innovative anti-counterfeiting products into various consumer product markets. With rich experience in working with customers from the various industries, the Group will summarize the characteristics of the needs of each industry and the pattern of the cooperation models, to lay a solid foundation for achieving across-industry and across-region goals in order to strengthen our position in the industry.

In May 2021, “Analysis on the status of Supply and Demand, Import and Export of China’s Health Supplements Market in 2021” released by Forward·The Economist (前瞻經濟學人) showed that, the production volume of health supplements industry in China was approximately 664,600 tons in 2020, and the market size for this industry was RMB409.2 billion in the same year. The increasing number of aging population and the rise of health consciousness, present an opportunity for the health supplements industry. In comparison with the US, Australia and Japan, the penetration rate of health supplements in China still has room for expansion by 2 to 2.5 times, the room for growth of per capita consumption and market size shall be 5 to 7 times and 10 times respectively.

Guoke Innovative Anti-counterfeiting Products is a Corporate Social Responsibility (“CSR”)-enabling product. The Group, through Guoke Innovative Anti-counterfeiting Products, is providing its customers with the tools to achieve a greater level of CSR. The very nature of Guoke Innovative Anti-counterfeiting Products embeds the elements of consumer protection as well as contributing to the social welfare and sports development while consumer protection and welfare funding contribution are two of the most important elements in any CSR matrix. By leveraging the capabilities of the Guoke Innovative Anti-counterfeiting Products regarding brand protection and brand endorsement, it is expected to support the sustainable development of the brand, achieve prosperous of industries, high-quality development and promote rural revitalization. By using Guoke Innovative Anti-counterfeiting Products, the corporate users will be able to achieve CSR in an effective way. The wide and extensive reach of Guoke Innovative Anti-counterfeiting Products in consumer products will take CSR to a new level of achievement. The Group will also be able to achieve and enhance the Group’s participation in CSR through supplying Guoke Innovative Anti-counterfeiting Products.

By order of the Board
Sinopharm Tech Holdings Limited
國藥科技股份有限公司
CHAN Ting
Chairperson

Hong Kong, 8 November 2021

As at the date of this announcement, the Board comprises Mr. CHAN Ting, Mr. LIAO Zhe and Mr. CHEUK Ka Chun Kevin as executive Directors, Madam CHEUNG Kwai Lan and Dr. CHENG Yanjie as non-executive Directors and Mr. LAU Fai Lawrence, Dr. LIU Ta-pei and Mr. CHAU Wai Wah Fred 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 GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of the Company at www.sinopharmtech.com.hk.