بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيم

In the name of Allah, The Most Gracious, The Most Merciful

17th May 2024 | 8 Dhu'l-Q. 1445 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF SUNHO BIOLOGICS, INC (2898)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **Sunho Biologics, Inc**
- Stock Code: **2898**
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2023

We have conducted a comprehensive Shariah Screening of **Sunho Biologics, Inc** to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **Sunho Biologics, Inc (2898)** is **Non-Compliance with Shariah.**

Details of our assessment can be reviewed in **Appendix I.**

والله أعلمُ

Issued by,
Sharlife Sdn. Bhd.

Ustaz Arham Merican
Shariah Officer

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APPENDIX I

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

Sunho Biologics, Inc. is a biopharmaceutical company specializing in the development and commercialization of immunotherapies, including immunocytokines, to treat cancers and autoimmune diseases. Their innovative products aim to provide affordable medicine and overcome current treatment limitations for patients worldwide.

Non-Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Result
Government grants	17,326	0	0.00%	Including unconditional and conditional, and had been approved by the PRC local government authorities.	Passed
Sales income from contract manufacturing services	208	0	0.00%	Primarily related to production and sales of clinical samples on contract manufacturing basis under customer's specific order.	Passed
Interest income from financial institutions	3,471	3,471	100.0%	Subject to 5% benchmark	Failed
TOTAL	**21,005**	**3,471**	**16.5%**	-	**Failed**

* This company has not generate any revenue during the Track Record Period

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	3,471
Total SNC Revenue	3,471
Total Revenue (Gross)	21,005
% SNC Revenue	16.53%
STATUS	**FAILED**

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Time deposits	35,414	290,450	72.30%	Subject to 33% benchmark	Over 33% limit
Cash and cash equivalents	125,074				
Other financial asset	49,579				
TOTAL	**210,067**				**FAILED**

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Lease liabilities	2,178	290,450	108.0%	Subject to 33% benchmark	Over 33% limit
Financial liabilities at fair value through profit or loss (FVTPL)	311,525				
TOTAL	**313,703**				**FAILED**

IPO Shariah Status

Segment		Status
Business Activity Benchmark		**FAILED**
Financial Ratio Benchmark	Cash	**FAILED**
	Debt	**FAILED**
Result		**FAILED**

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Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.