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**国药集团**  
SINOPHARM

**CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS CO. LIMITED**  
**中國中藥控股有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 570)**

**PROPOSED APPOINTMENT OF AUDITOR**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Traditional Chinese Medicine Holdings Co. Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of the Company dated 29 May 2025 (the “**Announcement**”) in respect of Ernst & Young (“**E&Y**”) will retire as the auditor of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, E&Y will retire as the auditor of the Company at the conclusion of the AGM upon the expiration of its current term of office and will not be re-appointed as the auditor of the Company at the AGM. The Board is pleased to announce that the Board, with recommendation of the audit committee of the Board (the “**Audit Committee**”), has resolved to propose the appointment of BDO Limited (“**BDO**”) as the auditor of the Company for the year ending 31 December 2025, which will be subject to the approval by the Shareholders at the extraordinary general meeting of the Company (the “**EGM**”).

In reaching its recommendation to the Board with respect to the proposed appointment of BDO as the new auditor of the Company, the Audit Committee has considered a number of factors, including but not limited to (i) the audit proposal of BDO, including the proposed audit fees and transition plan; (ii) BDO’s market reputation, track record and technical competence in providing audit services for companies listed on the Stock Exchange, central state-owned enterprises and pharmaceutical enterprises; (iii) its resources and capabilities, including manpower and time committed and information security and risk-bearing capacity, and value-added services it might provide, including professional services and solutions for internal control, digital information construction and taxation

consultancy; (iv) its independence from the Group and objectivity; (v) its knowledge on the Group's industrial features, scale, complexity and risk condition; (vi) relevant regulations in Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors published by the Accounting and Financial Reporting Council (the “AFRC”); and (vii) Guidance Notes on Change of Auditors published by the AFRC.

In view of the above, the Audit Committee has accessed and considered that BDO would be independent, competent and capable and suitable to act as the auditor of the Company. The Board is of the view that the appointment of BDO as the auditor of the Company is in the interest of the Group and the Shareholders as a whole.

## **GENERAL**

A circular containing, among other matters, the proposed appointment of auditor and a notice of the EGM together with the related form of proxy will be sent to the Shareholders in a due course.

By Order of the Board  
**China Traditional Chinese Medicine Holdings Co. Limited**  
**YANG Jun**  
*Chairman*

Hong Kong, 20 June 2025

*As at the date of this announcement, the Board comprises eleven Directors, of which Mr. YANG Jun and Mr. LI Hongjian are executive Directors; Mr. LIU Haijian, Mr. LI Xiangrong, Mr. ZU Jing, Ms. XU Jinghui and Mr. HUANG Hao are non-executive Directors; and Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong are independent non-executive Directors.*