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China Regenerative Medicine International Limited
中國再生醫學國際有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8158)

**VOLUNTARY ANNOUNCEMENT
INTERNAL CONTROL REVIEW –
(1) COMPLETION OF IMPLEMENTATION OF
THE REMEDIAL ACTIONS;
AND
(2) RESULTS OF THE FOLLOW-UP REVIEW**

This announcement is made by China Regenerative Medicine International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to (i) the announcement of the Company dated 31 October 2025 (the “**October Announcement**”), in relation to, among others, certain proposed remedial measures in relation to the Company’s non-compliance with the GEM Listing Rules; and (ii) the announcement of the Company dated 4 November 2025 (the “**November Announcement**”), in relation to, among others, key findings of the Internal Control Review and the corresponding recommendations for rectification proposed by the Internal Control Consultant. Unless the context otherwise requires, capitalised terms used in this announcement shall have the meanings as those defined in the October Announcement and the November Announcement.

COMPLETION OF IMPLEMENTATION OF THE REMEDIAL ACTIONS

As of the date of this announcement, the Group has implemented all of the remedial actions, which it considers sufficient to address the key findings of the internal control investigation regarding the significant deficiencies identified in the Internal Control Review. The details of the remedial actions implemented by the Group are set out in the section headed “Findings of the Follow-up Review” below in this announcement.

FINDINGS OF THE FOLLOW-UP REVIEW

On 15 March 2026, the Internal Control Consultant completed its follow-up review to assess the implementation of the recommendation for rectification (the “**Follow-up Review**”). The key findings of the Follow-up Review are set out as follows:

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
Inadequate disclosure and failure to timely announce the progress of matters: (As at 31 December 2023, the subsidiary of the Group had an amount due from Changzhou Xingkong of HK\$249,187,137.26. During the same period, the Group recognised an impairment loss of HK\$92,965,444.36 against this item. The auditors issued a qualified opinion on this matter for the year 2023.)	<p>Compliance Procedures and Policies</p> <p>The Management shall establish policies and procedures in compliance with Chapter 17 and Chapter 19 of the GEM Listing Rules, which shall be submitted to the Management for approval and disseminated to employees for implementation.</p> <p>A system shall be established to collect accounts receivable on a monthly basis.</p> <p>An accounts receivable management system shall be established for the purpose of regular impairment testing, and professional valuers are engaged to conduct impairment testing, who shall submit reports in a timely manner to the Management for continuous attention and monitoring.</p>	The Management accepted the recommendations and the relevant systems have been implemented on 31 December 2025.

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
Unclear approval authority, and absence of a written Board approval mechanism for significant matters	<p data-bbox="576 257 1102 322">Delegation of Authority and Approval Management</p> <p data-bbox="576 369 1102 546">A unified policy on delegation of authority and approval shall be established, setting different levels of approval limits for various amounts and types of fund transfers, as well as for significant and general matters.</p> <p data-bbox="576 593 1102 882">Significant matters, including important service providers, customers involved in major accounts receivable/current accounts receivable, important contracts, significant transactions, annual operating plans, annual budgets, annual investment and financing plans and adjustments, and the introduction of major projects, shall also be submitted to the Board for consideration.</p> <p data-bbox="576 929 1102 1106">The aforementioned policy on delegation of authority and approval shall be reviewed and disseminated to employees and subsidiaries of the Group, who shall be required to strictly implement such policy.</p> <p data-bbox="576 1153 879 1182">Management of Subsidiaries</p> <p data-bbox="576 1229 1102 1592">The Management shall formulate a policy on management of subsidiaries (the “Policy”), which includes, among others, the management responsibilities of subsidiaries, reporting and approval authority for significant matters, disclosure requirements, and audit and supervision. The relevant policies and procedures shall be approved by the Management and implemented, and disseminated to employees for compliance.</p> <p data-bbox="576 1639 1102 1960">Pursuant to the Policy, the Management of such subsidiaries shall submit reports on monthly operating activities to the management of the Group in a timely manner, including financial information, significant transactions, and other important information. Subsidiaries shall timely report monthly financial information, significant transactions, and other important information to the management of the Group.</p>	The Management accepted the recommendations and the relevant policies have been implemented on 31 December 2025.

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
Reporting of Significant Matters		
	<p>The Management shall establish a policy on reporting of significant matters, which includes the definition, identification, decision-making authority and procedures, disclosure procedures, and confidentiality procedures for significant matters. The aforementioned policy and procedures shall be submitted to the Management for approval and disseminated to employees.</p>	
<p>Inadequate and non-rigorous contract terms; and unsound contract documentation mechanism</p>	<p>Contract Management</p> <p>The Management shall establish a unified contract management policy for the Group, including but not limited to contract negotiation and drafting, contract approval and execution, performance management, contract variation and termination, the management of contract seals, regular training, and contract storage. This policy shall be approved by the Management and subsequently disseminated to employees and subsidiaries of the Group.</p> <p>The Group shall establish a contract ledger to record contract information, including contract name, contract number, contracting parties, and contractual amounts. The Group's contracts shall be stored in locked filing cabinets and managed by designated personnel. When necessary, the Management shall also consider using electronic tools to store and back up contract files to ensure the integrity and traceability of the file records.</p>	<p>The Management accepted the recommendation and the relevant policies have been implemented on 31 December 2025.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
Records Management		
	<p>The Management shall establish a records management policy, including but not limited to record types and records managing department, archiving management, record confidentiality management, record storage, usage and borrowing, and record destruction, which also includes the update and review of the record ledger. This policy shall be approved by the Management and disseminated to employees for compliance.</p> <p>The Group shall compile a ledger for the created files, including the file name, type, file number, department competent in documentation, archiving date, and storage location. The Management shall inspect the records management on a quarterly basis to ensure the standardisation of records management.</p>	
<p>Economic Sanctions, Anti-Bribery, and Anti-Money Laundering Guidelines</p>	<p>The Management shall consider formulating guidelines on preventing economic sanctions, including regular anti-economic sanctions risk assessments, notification procedures for sanctioned cases within the Group, procedures for identifying whether customers and suppliers are targets of economic sanctions, relevant notification procedures, and designating personnel or departments responsible for receiving information and conducting notifications, along with related handling procedures.</p>	<p>The Management completed the formulation and implementation of the relevant guidelines on 31 December 2025, and has already commenced the initial training.</p>
<p>The Group has not:</p> <ul style="list-style-type: none"> (i) formulated anti-economic sanctions guidelines, including mechanisms for the identification, reporting, and handling of related transactions/dealings involving sanctioned countries or individuals; or (ii) established anti-bribery and anti-money laundering guidelines, or provided relevant training to employees to remind them to avoid committing related offences, and explain corresponding monitoring and follow-up procedures. 	<p>The Management shall consider formulating comprehensive anti-bribery and anti-money laundering guidelines to clarify relevant definitions, monitoring, and follow-up processes, and should regularly circulate the relevant guidelines and provide appropriate training to employees. Concurrently, the Management shall also consider updating the guidelines regularly in accordance with relevant regulatory requirements and strengthening employees' compliance awareness through training.</p>	

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p>Conflict of Interest and Succession Planning</p>	<p>The Management shall consider establishing a management policy for handling conflicts of interest, including procedures for declaring conflicts of interest and declaration of interest forms, and requiring Directors and senior management to make declarations when necessary or annually, and maintain written records of their declarations of interest.</p> <p>The Management shall consider establishing written management policies and succession plans for senior management and Directors, specifying the successor for each position, their assessment, and the frequency of plan updates. Human resources and relevant departments shall also consider retaining employees through career development, training, and effective resources planning.</p>	<p>The Management completed the formulation and implementation of the relevant policies on 31 December 2025.</p>
<p>Despite the requirements related to conflicts of interest stipulated in employee employment contracts, the Group has not yet formulated a complete conflict of interest management policy, including a mechanism to declare the conflict of interest, regular declaration procedures, and standard declaration forms. Although the Group requires Directors and senior management to declare their interests in case of a conflict of interest, a regular declaration mechanism has not been established.</p> <p>Regarding succession arrangements for key positions, the Group has not yet established relevant management policies and planning schemes. Given that the Group’s business development highly relies on the experience and professional judgment of senior management to formulate business direction, the absence of succession planning currently may affect the Group’s daily operations in case of the departure of key personnel.</p>		

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p>Risk Management Mechanism</p> <p>The Management closely monitors the Group's daily operations and holds meetings with heads of various departments periodically or when necessary to discuss risks faced or potentially faced by the Group and corresponding countermeasures. Although the Group has briefly introduced the definition and frequency of risk assessment, the Group has not yet established a comprehensive risk management mechanism to standardise the assessment, monitoring, and tracking processes for market, legal, operational, environmental, social, and governance risks.</p>	<p>The Management shall consider formulating a comprehensive risk management policy for the Group, which shall contain, including but not limited to, the risk management framework and scope, the process for setting business objectives, regularly assessing and monitoring corporate risks and the operating environment, risk reporting, the process for formulating risk mitigation plans and tracking the implementation of risk mitigation plans, risk identification and early warning mechanisms, the responsibilities and authority of risk management personnel, and the supervisory responsibilities of management and the Board.</p> <p>The Management shall also consider regularly reviewing and updating the risk management policy to align with the Group's business development.</p>	<p>The Management completed the formulation and implementation of the risk management policy on 31 December 2025.</p>
<p>Management of Reporting Significant Matters</p> <p>It is our understanding that employees report significant matters to the Management, while the Management, based on the significance of such matters, reports to senior management and the Board. However, upon review, it was found that the Group has not yet established a relevant management policy for the reporting of significant matters.</p>	<p>The Management shall consider establishing a management policy for the reporting procedures of significant matters, the content of which should include the definition, criteria for identification, decision-making authority and procedures and disclosure procedures for significant matters, and confidentiality mechanisms. The Management shall regularly review the policy to ensure that the content described in the policy remains consistent with actual operations. Proposals such as changes in the use of proceeds shall be considered as significant matters and submitted to the Management and the Board for approval. The aforementioned policy shall also incorporate a mechanism for monthly or quarterly reporting to the Board to ensure the Board stays fully informed of the Group's operating status and potential risks.</p> <p>The Management should require all relevant employees to strictly follow and implement the management policy and workflow, and the Management must conduct timely supervision and inspection to avoid deviations in execution.</p>	<p>The Management completed the formulation and implementation of the relevant policies on 31 December 2025.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p>Budget Management</p> <p>It is our understanding that the Management has not prepared financial budgets and cash flow budgets to forecast cash flows from sales, procurement, fixed assets, human resources expenditure, investment, and financing activities. Furthermore, the Management has not performed variance analysis on the aforementioned financial budgets and cash flow budgets.</p>	<p>The Management shall consider formulating financial budgets and cash flow budgets to forecast cash flows from sales, procurement, fixed assets, human resources expenditure, investment, and financing activities. Furthermore, the Management shall analyse the variances between the financial budget statements and actual amounts on a regular basis, clearly state the reasons for the variances, adopt appropriate rectification measures, which shall be submitted to the Management for review and signature.</p> <p>The Group shall prepare the financial budget for the following year at the end of each year, compare it with actual data on a regular basis, and conduct variance analysis to provide effective information and basis for corporate decision-making, control, and evaluation.</p>	<p>The Management completed the formulation and implementation of the budget management system on 31 December 2025. The financial budgets and cash flow budgets for the 2026 financial year were also prepared and finalized on 31 December 2025.</p>
<p>Accounting Records Management</p> <p>Based on the samples obtained, several accounting vouchers are not accompanied by original supporting documents.</p>	<p>The Management shall consider requiring relevant personnel, upon obtaining original documents, to timely submit them to finance personnel, who shall promptly prepare corresponding accounting vouchers, archive the original documents, and submit them to the financial department and the Management for review.</p>	<p>The Management has completed the remediation, and all accounting vouchers are now accompanied by source documents as required.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p data-bbox="97 257 474 286">Management of Connected Persons</p> <p data-bbox="97 333 534 1400">It is our understanding that the Management requires the Group and each subsidiary to timely report changes in Directors, supervisors, and senior management to the Group, and the Group's company secretary is responsible for performing the verifications of connected persons and updating the list of connected persons. However, upon investigation, it was found that the Group fail to perform the verification of connected persons regularly, nor has it formulated a standardised connected persons investigation form in accordance with the requirements of Chapter 20 of the GEM Listing Rules for completion by the Directors, chief executives, or substantial shareholders of the Group and its subsidiaries to obtain relevant information and fully list all connected persons, associates, and connected subsidiaries. Furthermore, the Management does not regularly circulate the latest list of connected persons to the Group, making it difficult for personnel of the subsidiaries to effectively identify connected persons and connected transactions.</p>	<p data-bbox="576 257 1102 992">The Management shall consider establishing a connected persons investigation form. Responsible personnel shall conduct regular investigations, requiring the Directors, chief executives, or substantial shareholders of the Group and its subsidiaries to provide an exhaustive list of all connected persons, associates, and connected subsidiaries in accordance with the requirements of Chapter 20 of the GEM Listing Rules. The responsible person must update the list of connected persons based on the information obtained during the connected persons investigation period. The relevant investigation documents must be recorded in writing and properly archived. Furthermore, the Management shall regularly circulate the list of connected persons to the Group to enable personnel at the subsidiaries to effectively identify connected persons and connected transactions.</p>	<p data-bbox="1137 257 1500 432">The Management completed the formulation and implementation of the connected persons management procedures on 31 December 2025.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p>As of June 2025, the Group has not consummated relevant samples of the Corporate Governance Code (the“CG Code”) as set out in Appendix C1 to the GEM Listing Rules, including:</p> <ul style="list-style-type: none"> • Charters or policy documents, such as procedures for the Board to seek independent professional advice, Board diversity policy, shareholder communication policy, guidelines for employee dealing in company securities, and dividend policy. The Group has also not yet perfectly established a comprehensive corporate governance policy setting out the Company’s purpose, strategy and governance, Board composition and nomination, Directors’ terms of reference, delegation of authority and Board procedures, audit, internal control, and risk management; • Number of Directors: certain subsidiaries of the Group have only one Director; and • Contract documents, such as Directors’ liability insurance agreements. 	<p>The Management shall comply with the code provisions of the CG Code and retain all relevant samples and timely improve the Company’s corporate governance policies documents during the audit period. The Group shall also carefully review each code provision and provide prudent justification for any deviation from the code provisions in the Corporate Governance Report.</p> <p>The Board shall review the composition of directors of its subsidiaries to ensure compliance with the legal requirements regarding the number of directors for public companies.</p>	<p>The Management completed the purchase of the Directors’ liability insurance and the improvement of all corporate governance policies, including those related to the Company’s purpose, strategy and governance, Board composition and nomination, Directors’ terms of reference, delegation of authority and Board procedures, audit, internal control, and risk management, on 31 December 2025.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
<p>The Group is required to comply with the relevant GEM Listing Rules and legal regulations, such as Chapter 17 and Chapter 19 of the GEM Listing Rules. However, it is our understanding that the Group has not established complete management policies and work procedures for the relevant rules, including reporting procedures, handling methods, and approval requirements.</p> <p>Furthermore, it is our understanding that the Group does not regularly provide training on the aforementioned GEM Listing Rules and relevant regulations to its Directors, the Management, and relevant responsible personnel to ensure that relevant personnel are aware of the aforementioned GEM Listing Rules, regulations, and related internal control requirements.</p>	<p>The Management shall consider establishing compliance processes and policies, and explaining the reporting, monitoring, and approval procedures, handling methods, and disclosure processes, among others. These processes and policies should be distributed to relevant executing departments for strict implementation and real-time monitoring. Furthermore, the Management shall regularly review the processes and policies to ensure that their descriptions of such processes and policies comply with the requirements of relevant regulations. The Management shall also regularly explain and update relevant information disclosure procedures and rules to employees. In addition, the Management shall formulate clear information disclosure guidelines, including standardised disclosure procedures and approval mechanisms, to ensure that information disclosure meets timing and content requirements and enhances the role of the Board in information disclosure.</p>	<p>The Management completed the formulation and implementation of the relevant system on 31 December 2025.</p>

Key Findings	Rectification Recommendations	Remedial Actions Implemented by the Company
	Following the establishment of the relevant processes and policies, the Management shall consider regularly circulating and providing training on the aforementioned GEM Listing Rules and related policies (including information disclosure policies) to Directors, the Management, and relevant responsible personnel to mitigate the risks of errors and non-compliance.	

RESULTS OF THE FOLLOW-UP REVIEW

The Internal Control Consultant has completed the Follow-up Review and confirmed that the Group has adopted all remedial measures recommended in the Internal Control Review Report to address the deficiencies in internal controls. Following the follow-up by the Internal Control Consultant, no material deficiencies were identified in the Group's internal control system. Moreover, no matters have come to the consultant's attention that would raise doubt as to the adequacy of the policies adopted to address the internal control weaknesses identified in the Internal Control Review Report, or the effectiveness of the implementation of such policies.

OPINIONS OF THE BOARD

The Board (including the audit committee) has reviewed the content, findings, and outcomes of the Follow-up Review. The Group's management has confirmed and agreed with the investigation findings and results of the Internal Control Consultant.

The Group has adopted all the advices and recommendations suggested by the Internal Control Consultant, and has adopted, revised or strengthened (as applicable) relevant policies and procedures of the Group. After considering the Follow-up Review, the Board (including the audit committee) agrees that:

- all internal control deficiencies identified in the Internal Control Review Report have been adequately addressed through appropriate recommended rectifications;
- the remedial measures taken by the Group are sufficient and adequate; and
- the Group has established sufficient and reliable governance, internal control, and reporting systems to perform its obligations under the GEM Listing Rules.

The Board (including the audit committee) and the Internal Control Consultant will continue to monitor the effectiveness of the Company's internal control system and procedures to perform its obligations under the GEM Listing Rules, and ensure the Group's internal control policies and procedures are reasonable and adequate, and integrate them into our operations.

By Order of the Board

China Regenerative Medicine International Limited

Wang Chuang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Director is Mr. Wang Chuang (Chairman and Chief Executive Officer); the non-executive Director is Ms. Luo Min, and the independent non-executive Directors are Ms. Huo Chunyu, Mr. Zhou Xudong and Mr. Leung Man Fai.

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.hkexnews.hk for at least seven days from the date of the publication and will be published on the website of the Company at www.crmi.hk.