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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)**

**(I) REVISION OF ANNUAL CAP IN RELATION TO  
THE EXISTING MASTER PURCHASE AGREEMENT; AND  
(II) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO THE NEW MASTER AGREEMENTS**

**Financial Adviser to the Company**



**SOMERLEY CAPITAL LIMITED**

**Independent Financial Adviser to the  
Independent Board Committee and the  
Independent Shareholders**



**Gram Capital Limited**  
**嘉林資本有限公司**

**THE SUPPLEMENTAL MASTER PURCHASE AGREEMENT**

On 11 November 2022, the Company and CNPGC entered into the Supplemental Master Purchase Agreement to revise the Original Purchase Cap to the Revised Purchase Cap.

**THE NEW MASTER PURCHASE AGREEMENT**

On 11 November 2022, the Company entered into the New Master Purchase Agreement with CNPGC, pursuant to which the Group conditionally agreed to purchase the Materials to be supplied by the CNPGC Group during the period from 1 January 2023 to 31 December 2025.

## **THE NEW MASTER SUPPLY AGREEMENT**

On 11 November 2022, the Company entered into the New Master Supply Agreement with CNPGC, pursuant to which the Group conditionally agreed to sell the Products to the CNPGC Group during the period from 1 January 2023 to 31 December 2025.

## **LISTING RULES IMPLICATIONS**

Sinopharm Hongkong is the controlling Shareholder holding 1,634,705,642 Shares, representing approximately 32.46% of the total number of issued Shares as at the date of this announcement. CNPGC is the parent company of Sinopharm Hongkong. As such, CNPGC is a connected person of the Company. The Supplemental Master Purchase Agreement and the New Master Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Revised Purchase Cap is higher than 0.1% but less than 5%, the Supplemental Master Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Proposed Purchase Caps is higher than 0.1% but less than 5%, the New Master Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Proposed Sales Caps is higher than 5%, the New Master Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened by the Company at which resolutions will be proposed to seek approval from the Independent Shareholders for the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps) by way of poll. CNPGC and its associates, which are interested in 1,634,705,642 Shares as at the date of this announcement (representing approximately 32.46% of the total number of issued Shares), will abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders on the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps). The Independent Board Committee comprises Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong, all being independent non-executive Directors.

Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps).

## **GENERAL**

A circular containing, among other things, (i) details of the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); (ii) the letter of recommendation from the Independent Board Committee regarding the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders regarding the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); and (iv) a notice of the EGM will be despatched to the Shareholders in compliance with the Listing Rules on or before 2 December 2022.

## **INTRODUCTION**

References are made to the announcement and the circular of the Company dated 20 November 2019 and 28 December 2019 respectively in relation to, among others, the entering into of the Existing Master Purchase Agreement and the Existing Master Supply Agreement.

The Board expects that the Original Purchase Cap under the Existing Master Purchase Agreement will be insufficient for the year ending 31 December 2022. Therefore, on 11 November 2022, the Company and CNPGC entered into the Supplemental Master Purchase Agreement to revise the Original Purchase Cap to the Revised Purchase Cap.

In addition, as the term of each of the Existing Master Purchase Agreement and the Existing Master Supply Agreement will expire on 31 December 2022, on 11 November 2022, the Company entered into the New Master Purchase Agreement and the New Master Supply Agreement with CNPGC to govern the terms of the Purchases and the Sales for the three years ending 31 December 2025.

## **THE SUPPLEMENTAL MASTER PURCHASE AGREEMENT**

### **Principal terms of the Supplemental Master Purchase Agreement**

Date : 11 November 2022

Parties : (i) the Company; and  
(ii) CNPGC

Subject: : The Original Purchase Cap amount under the Existing Master Purchase Agreement for the year ending 31 December 2022 shall be revised as follows:

**For the year ending 31 December 2022**

*RMB'000*

Original Purchase Cap	70,000
Revised Purchase Cap	110,000

Save as disclosed above, all of the existing terms and conditions of the Existing Master Purchase Agreement shall remain unchanged.

**Basis of determination of the Revised Purchase Cap**

The Revised Purchase Cap for the year ending 31 December 2022 is RMB110,000,000.

The historical transaction amounts under the Existing Master Purchase Agreement for each of the two years ended 31 December 2020 and 2021 and for the seven months ended 31 July 2022 are as follows:

	<b>For the year ended 31 December</b>		<b>For the seven months ended</b>
	<b>2020</b>	<b>2021</b>	<b>31 July</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical transaction amount under the Existing Master Purchase Agreement	34,632	60,674	37,400

The Revised Purchase Cap was determined mainly by reference to: (i) the historical quantity of the Materials purchased from the CNPGC Group; (ii) the expected increase in the use of the Materials to cater for the increasing demand of the Group's products; and (iii) the purchase of Materials from members of the CNPGC Group which were independent third parties at the timing of the entering into of the Existing Master Supply Agreement but were subsequently acquired by and consolidated into the CNPGC Group.

# THE NEW MASTER PURCHASE AGREEMENT

## Principal terms of the New Master Purchase Agreement

- Date : 11 November 2022
- Parties : (i) the Company; and  
(ii) CNPGC
- Subject : Pursuant to the New Master Purchase Agreement, the Group conditionally agreed to purchase the Materials to be supplied by the CNPGC Group during the period from 1 January 2023 to 31 December 2025. The terms of the Purchases shall adhere to the following principles:
- (i) the terms of the Purchases (including prices, discounts, credit period and payment terms) shall be fair and reasonable and on normal commercial terms, and no less favourable to the Group than those available to the Group from independent third parties; and
  - (ii) the prices of the Materials shall be determined based on the prevailing market prices.
- The Materials : The Materials are major TCM materials used to manufacture pharmaceutical products of the Group, including but not limited to vitro cultivation calculus bovis (體外培育牛黃), pangolin scales (炮山甲), scorpion (全蠍), artificial musk (人工麝香), atractylodes lancea (蒼朮) and resina draconis (血竭).
- Conditions precedent : The New Master Purchase Agreement is conditional upon the fulfilment of the following conditions (if applicable):
- (i) the passing of the resolution(s) by the Independent Shareholders at the EGM to approve the New Master Purchase Agreement and the transactions contemplated thereunder and the Proposed Purchase Caps as required under the Listing Rules;
  - (ii) CNPGC having approved the New Master Purchase Agreement in accordance with its articles of association (if applicable); and

(iii) other regulatory approval (if any) applicable to the Company and CNPGC in relation to the New Master Purchase Agreement having been obtained.

None of the above conditions can be waived.

Proposed Purchase Caps : Pursuant to the New Master Purchase Agreement, the value of the Purchases shall not exceed the Proposed Purchase Caps set out below:

<b>For the year ending 31 December</b>		
<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
300,000	450,000	675,000

### **Basis of determination of the Proposed Purchase Caps**

The Proposed Purchase Caps for each of the years ending 31 December 2023, 2024 and 2025 are RMB300,000,000, RMB450,000,000 and RMB675,000,000, respectively.

The historical transaction amounts under the Existing Master Purchase Agreement for each of the two years ended 31 December 2020 and 2021 and for the seven months ended 31 July 2022 are set out in the section headed “Basis of determination of the Revised Purchase Cap” above.

The Proposed Purchase Caps were determined mainly by reference to: (i) the historical quantity of the Materials purchased from the CNPGC Group; (ii) the expected increase in the use of the Materials to cater for the increasing demand of the Group’s products; and (iii) the purchase of Materials from members of the CNPGC Group which were independent third parties at the timing of the entering into of the Existing Master Supply Agreement but were subsequently acquired by and consolidated into the CNPGC Group.

## **THE NEW MASTER SUPPLY AGREEMENT**

### **Principal terms of the New Master Supply Agreement**

Date : 11 November 2022

Parties : (i) the Company; and  
(ii) CNPGC

Subject : Pursuant to the New Master Supply Agreement, the Group conditionally agreed to sell the Products to the CNPGC Group during the period from 1 January 2023 to 31 December 2025. The terms of the Sales shall adhere to the following principles:

- (i) the terms of the Sales (including prices, discounts, credit period and payment terms) shall be fair and reasonable and on normal commercial terms, and no less favourable to the Group than those offered by the Group to independent third parties; and
- (ii) the prices of the Products shall be determined based on the prevailing market prices.

Conditions precedent : The New Master Supply Agreement is conditional upon the fulfilment of the following conditions (if applicable):

- (i) the passing of the resolution(s) by the Independent Shareholders at the EGM to approve the New Master Supply Agreement and the transactions contemplated thereunder and the Proposed Sales Caps as required under the Listing Rules;
- (ii) CNPGC having approved the New Master Supply Agreement in accordance with its articles of association (if applicable); and
- (iii) other regulatory approval (if any) applicable to the Company and CNPGC in relation to the New Master Supply Agreement having been obtained.

None of the above conditions can be waived.

Proposed Sales Caps : Pursuant to the New Master Supply Agreement, the value of the Sales shall not exceed the Proposed Sales Caps set out below:

<b>For the year ending 31 December</b>		
<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
1,750,000	2,100,000	2,500,000

## **Basis of determination of the Proposed Sales Caps**

The Proposed Sales Caps for each of the years ending 31 December 2023, 2024 and 2025 are RMB1,750,000,000, RMB2,100,000,000 and RMB2,500,000,000, respectively.

The historical transaction amounts under the Existing Master Supply Agreement for each of the two years ended 31 December 2020 and 2021 and for the seven months ended 31 July 2022 are as follows:

	<b>For the year ended 31 December</b>		<b>For the seven months ended</b>
	<b>2020</b>	<b>2021</b>	<b>31 July</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>2022</i>
			<i>RMB'000</i>
Historical transaction amount under the Existing Master Supply Agreement	840,246	1,035,125	549,912

The Proposed Sales Caps were determined mainly by reference to: (i) the historical sales of the Products by the Group to the CNPGC Group; (ii) the expected increase in the demand of the Group's Products; and (iii) the expected increase in the sales of the Products to hospitals and retail drug stores attributable to the sales network of the CNPGC Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL MASTER PURCHASE AGREEMENT AND THE NEW MASTER AGREEMENTS**

The principal business activities of the Group are the manufacture and sale of TCM and pharmaceutical products in the PRC with a focus on concentrated TCM granules, TCM finished drugs and TCM decoction pieces.

### **The Supplemental Master Purchase Agreement**

The Materials purchased under the Existing Master Purchase Agreement are major TCM materials used to manufacture pharmaceutical products of the Group.

The pharmaceutical products of the Group were well received by the market in the PRC and the sales volume grew at a rate higher than expected. In relation to TCM decoction pieces segment, there was an increasing demand in the high-end decoction pieces. As disclosed in the Company's annual report for the year ended 31 December 2021 and interim report for the six months ended 30 June 2022, the Group's revenue from the TCM decoction pieces segment recorded year-on-year increases of approximately 14.6% and 22.1% respectively for the year ended 31 December 2021 and the six months ended 30 June 2022. The Group expected that there would be an increase in demand from the CNPGC Group for the necessary materials for the manufacture of the TCM decoction pieces. In relation to the TCM finished drugs segment, the Group recorded increased sales of its core products



such as Niu Huang Qing Xin Bolus(牛黃清心丸) and Niu Huang Shang Qing Bolus(牛黃上清丸). The necessary materials for the manufacture of the aforesaid products, such as vitro cultivation calculus bovis (體外培育牛黃)and artificial musk (人工麝香), were mainly supplied by the CNPGC Group in the PRC.

Having considered the historical transaction amount for the seven months ended 31 July 2022 and the estimations provided by the relevant operating subsidiaries of the Company, the estimated transaction amount in respect of the purchase of Materials from the CNPGC Group under the Existing Master Purchase Agreement for the year ending 31 December 2022 is expected to exceed the Original Purchase Cap. Accordingly, the Company entered into the Supplemental Master Purchase Agreement for the revision of the Original Purchase Cap to the Revised Purchase Cap to ensure the continuing operation of the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Master Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are on normal commercial terms or better, and the Supplemental Master Purchase Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### **The New Master Agreements**

The New Master Agreements were entered into for the purpose of enabling the Group to continue the business relationship with the CNPGC Group in compliance with the Listing Rules as well as to capture the business opportunities that may be brought about by the CNPGC Group to the Group. CNPGC is the only life-and health-oriented central enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council, with a whole healthcare industry chain covering R&D, manufacturing, logistics and distribution, retail chains, healthcare, engineering services, etc. Members of the CNPGC Group have been the suppliers of the Materials and customers of the Products since 1998. The CNPGC Group is a reliable business partner of the Group which has a strong supply capacity and a well-established distribution network. The New Master Purchase Agreement enables the Group to source stable and quality supply of the Materials, while the New Master Supply Agreement enables the Group to tap into a larger market and approach a much wider clientele base with the support of the extensive sales and distribution network of the CNPGC Group in the PRC. As CNPGC Group is one of the largest pharmaceutical companies in the PRC and has comparatively strong planting resources as well as advanced processing technologies, the Directors considered that the partnership with the CNPGC Group can secure the distribution of the Products to hospitals and retail pharmacies in the PRC via the CNPGC Group as the Group's distributor.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the New Master Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are on normal commercial terms or better, and the New Master Purchase Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and the

Directors (excluding the independent non-executive Directors who will express their view after having considered the advice from Gram Capital) are of the view that the terms of the New Master Supply Agreement and the transactions contemplated thereunder are fair and reasonable and the New Master Supply Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE CNPGC GROUP**

The principal business activities of the Group are the manufacture and sale of TCM and pharmaceutical products in the PRC with a focus on concentrated TCM granules, TCM finished drugs and TCM decoction pieces.

CNPGC is the only life-and health-oriented central enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council, with a whole healthcare industry chain covering R&D, manufacturing, logistics and distribution, retail chains, healthcare, engineering services, etc.

## **THE LISTING RULES IMPLICATIONS**

Sinopharm Hongkong is the controlling Shareholder holding 1,634,705,642 Shares, representing approximately 32.46% of the total number of issued Shares as at the date of this announcement. CNPGC is the parent company of Sinopharm Hongkong. As such, CNPGC is a connected person of the Company. The Supplemental Master Purchase Agreement and the New Master Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Revised Purchase Cap is higher than 0.1% but less than 5%, the Supplemental Master Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Proposed Purchase Caps is higher than 0.1% but less than 5%, the New Master Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Proposed Sales Caps is higher than 5%, the New Master Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The following Directors hold the following positions in the CNPGC Group or its associates:

- (i) Mr. CHEN Yinglong is an executive director and general manager of China National Traditional Chinese Medicine Co., Ltd.;
- (ii) Mr. CHENG Xueren is a director of China National Traditional Chinese Medicine Co., Ltd. and Chongqing Taiji Industry (Group) Co., Ltd.;
- (iii) Mr. YANG Wenming is a director of China National Traditional Chinese Medicine Co., Ltd.;
- (iv) Mr. YANG Shanhua is the chief accountant of CNPGC;
- (v) Ms. LI Ru is the director of the legal and risk management department of CNPGC;
- (vi) Mr. YANG Binghua is the head of the party-masses relationship department of CNPGC; and
- (vii) Mr. WANG Kan is the director of the investment management department of CNPGC.

The above Directors are regarded as having a material interest in the Supplemental Master Purchase Agreement and the New Master Agreements and the transactions contemplated thereunder by virtue of their positions held in the CNPGC Group or its associates. Each of them had abstained from voting at the Board meeting on the relevant resolutions for approving the Supplemental Master Purchase Agreement and the New Master Agreements and the transactions contemplated thereunder (including the Revised Purchase Cap and the Annual Caps).

The EGM will be convened by the Company at which resolutions will be proposed to seek approval from the Independent Shareholders for the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps) by way of poll. CNPGC and its associates, which are interested in 1,634,705,642 Shares as at the date of this announcement (representing approximately 32.46% of the total number of issued Shares), will abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders on the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps). The Independent Board Committee comprises Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong, all being independent non-executive Directors. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps).

## EGM

A circular containing, among other things, (i) details of the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); (ii) the letter of recommendation from the Independent Board Committee regarding the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders regarding the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps); and (iv) a notice of the EGM will be despatched to the Shareholders in compliance with the Listing Rules on or before 2 December 2022.

## DEFINITIONS

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

“Annual Caps”	the Proposed Purchase Caps and the Proposed Sales Caps
“Board”	the board of Directors
“CNPGC”	China National Pharmaceutical Group Co., Ltd. (中國醫藥集團有限公司), a state-owned enterprise established in the PRC
“CNPGC Group”	CNPGC and its subsidiaries
“Company”	China Traditional Chinese Medicine Holdings Co. Limited (中國中藥控股有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 570)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps)
“Existing Master Purchase Agreement”	the existing master purchase agreement dated 20 November 2019 entered into between the Company and CNPGC in respect of the purchase of the Materials by the Group from the CNPGC Group

“Existing Master Supply Agreement”	the existing master supply agreement dated 20 November 2019 entered into between the Company and CNPGC in respect of the sale of the Products by the Group to the CNPGC Group
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong, all being independent non-executive Directors, established for the purpose of giving a recommendation to the Independent Shareholders on the New Master Supply Agreement and the transactions contemplated thereunder (including the Proposed Sales Caps)
“Independent Shareholders”	the Shareholders other than CNPGC and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Materials”	the TCM and chemical materials purchased by the Group from the CNPGC Group
“New Master Agreements”	together, the New Master Purchase Agreement and New Master Supply Agreement
“New Master Purchase Agreement”	the master purchase agreement dated 11 November 2022 entered into between the Company and CNPGC in respect of the Purchases for the three years ending 31 December 2023, 2024 and 2025
“New Master Supply Agreement”	the master supply agreement dated 11 November 2022 entered into between the Company and CNPGC in respect of the Sales for the three years ending 31 December 2023, 2024 and 2025

“Original Purchase Cap”	the annual cap amount in respect of the Purchases under the Existing Master Purchase Agreement for the year ending 31 December 2022
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Products”	various pharmaceutical products manufactured and supplied by the Group to the CNPGC Group
“Proposed Purchase Caps”	the annual caps for the Purchases under the New Master Purchase Agreement
“Proposed Sales Caps”	the annual caps for the Sales under the New Master Supply Agreement
“Purchases”	the purchases of the Materials from the CNPGC Group
“Revised Purchase Cap”	the revised annual cap amount in respect of the Purchases under the Existing Master Purchase Agreement (as supplemented by the Supplemental Master Purchase Agreement) for the year ending 31 December 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Sales”	the sales of the Products to the CNPGC Group
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Sinopharm Hongkong”	Sinopharm Group Hongkong Co., Limited (國藥集團香港有限公司), a company incorporated in Hong Kong with limited liability and the controlling Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Master Purchase Agreement”	the supplemental agreement dated 11 November 2022 entered into between the Company and CNPGC in relation to the revision of the Original Purchase Cap

“TCM” traditional Chinese medicine

“%” per cent

By order of the Board  
**China Traditional Chinese Medicine Holdings Co. Limited**  
**CHEN Yinglong**  
*Chairman*

Hong Kong, 11 November 2022

*As at the date of this announcement, the Board comprises twelve Directors, of which Mr. CHEN Yinglong, Mr. CHENG Xueren and Mr. YANG Wenming are executive Directors; Mr. YANG Shanhua, Ms. LI Ru, Mr. YANG Binghua, Mr. WANG Kan and Mr. KUI Kaipin 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.*