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**Grand Pharmaceutical Group Limited**  
**遠大醫藥集團有限公司\*\***  
(Limited company incorporated in Bermuda)  
(Stock code: 00512)

**Inside Information**  
**Announcement on the Receipt of Notice of Administrative Decision**

This announcement is issued by the Board of Directors (the “**Board**”) of Grand Pharmaceutical Group Co., Ltd. (the “**Company**” and its subsidiaries collectively referred to as the “**Group**”) in accordance with Rule 13.09 of the Listing Rules of the Stock Exchange of Hong Kong (the “**Listing Rules**”) and the Insider information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as defined in the Listing Rules).

On 28 May 2023, Grand Pharmaceutical (China) Company Limited (the “**Subsidiary**”, a non-wholly owned subsidiary of the Company) received Notice of Administrative Decision (“**Notice**”) issued by the China State Administration for Market Regulation, and the details are hereby communicated as follows:

**1) Main contents of the Notice**

According to the China State Administration for Market Regulation, from June 2016 to July 2019, the Subsidiary entered into and implemented a monopoly agreement for the sale of Norepinephrine Bitartrate Injection API and Epinephrine API; from May 2010 to April 2021, the Subsidiary abused its dominant position in the Chinese market of Norepinephrine Bitartrate Injection API and Epinephrine API, violated the Anti-Monopoly Law of the People’s Republic of China (the “**Anti-Monopoly Law**”), constituted the implementation of a monopoly agreement and the abuse of a dominant market position. Considering that the Subsidiary actively cooperated with the follow-up investigation works, provided relevant evidence materials, and actively self-checked and rectified, according to the provisions of the Anti-monopoly Law and the “Administrative Punishment Law of the PRC”, the China State Administration for Market Regulation has punished the Subsidiary and order the Subsidiary to stop the violation, confiscated the gain RMB 149,457,348.37 from such behavior, and imposed fine of RMB 136,132,633.27, which is calculated based on 3% of the sales of the Subsidiary in China in 2019.

**2) The rectification of the Subsidiary**

The Subsidiary attaches great importance to and actively cooperates with the investigation of the State Administration for Market Regulation, it accepts the

punishment and organizes rectification according to requirements, maintains active communication with the competent authorities, improves the sales and compliance system, actively and properly solves relevant rectification requirements, has terminated relevant monopoly agreements, actively communicates with customers, and supplies relevant raw materials to the market in compliance with laws and regulations. At the same time, further strengthen the legal compliance consciousness and responsibility consciousness of subsidiaries and relevant employees, continue to improve and optimize the operation management and compliance risk control system.

The Subsidiary has quickly implemented internal rectification measures, organized repeated internal training and employee learning on compliance system, increased channels and methods of internal communication, reporting, supervision and self-examination through traditional and digital means, actively organized relevant internal departments and responsible persons to carry out comprehensive self-examination, and made rectification according to requirements and self-examination, so as to continuously strengthen the legal awareness and responsibility awareness of the Subsidiary and employees.

### **3) Impact on the Group**

At present, the Group's production and operation situation is normal, and also continuously strengthen the industrial operation management, implemented strong measures in different aspects such as the production research and development, scientific innovation, process optimization, cost reduction and efficiency, and the business performance sustained steady growth.

The above fine amount accounted for approximately 3.48% and 15.85% of the audited consolidated operating income and profit attributable to the Company's holders in the most recent fiscal year of the Group respectively. It is estimated not to have a continuous impact on the production and operation of the Group. The Group will also continue to strengthen the study of laws and regulations and building-up of relevant rules and systems, in accordance with the requirements of relevant laws and regulations, to further improve the Group's governance level.

Based on the above and taking into account the amount of fine, the Company considers that this administrative fine will not have any material adverse impact on the business operations and financial position of the Group.

**Shareholders and potential investors of the Company should be cautious when buying and selling shares of the Company.**

By order of the Board  
**Grand Pharmaceutical Group Limited**  
*Chairman*  
**Dr. Tang Weikun**

Hong Kong, 28 May 2023.

*On the date of this announcement, the Board of Directors consists of four executive directors, Dr. Tang Weikun, Dr. Shao Yan, Dr. Niu Zhanqi and Dr. Shi Lin, and three independent non-executive directors, Ms So Tosi Wan, Winnie, Dr. Pei Geng and Mr. Hu Yebi.*

\* *For identification purpose only*