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## **GOLDEN THROAT HOLDINGS GROUP COMPANY LIMITED** **金嚜子控股集團有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability of its members)*

**(Stock Code: 6896)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO RENEWAL OF CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 10 January 2024 (the “**Announcement**”) in relation to entering into the 2024 Procurement Framework Agreement, pursuant to which the Company agreed to purchase and Changbao agreed to provide certain products, including liquid Isomalt, Isomalt AG, Solid Isomalt ST, syrup on a continuing basis. Unless otherwise stated herein, capitalized terms used in this supplemental announcement shall have the same meaning as defined in the Announcement.

The Company would to provide additional information in relation to the determination of the proposed annual caps under the 2024 Procurement Framework Agreement.

#### **Determination of Proposed Annual Caps**

It is expected the annuals caps for the years ending 31 December 2024, 2025 and 2026 will consist of the expenditure on liquid Isomalt, Isomalt AG, Solid Isomalt ST and syrup, details of which are set out as follows:

	2024		2025		2026	
	Quantity (kg)	Amount (RMB)	Quantity (kg)	Amount (RMB)	Quantity (kg)	Amount (RMB)
<b>Raw Materials</b>						
Liquid Isomalt (maximum unit price: RMB20 per kg)	500,000	10,000,000	520,000	10,400,000	550,000	11,000,000
Isomalt AG (maximum unit price: RMB50 per kg)	500,000	25,000,000	520,000	26,000,000	550,000	27,500,000
Solid Isomalt ST (maximum unit price: RMB28 per kg)	100,000	2,800,000	120,000	3,360,000	150,000	4,200,000
Syrup (maximum unit price: RMB8 per kg)	150,000	1,200,000	200,000	1,600,000	250,000	2,000,000
<b>Annual Cap</b>		<b>39,000,000</b>		<b>41,360,000</b>		<b>44,700,000</b>

The quantity of each type of raw materials to be purchased in the following three years as set out above is determined with reference to the production plan of the Company and the extra raw materials required to cover future production of reserve products, expected raw material reserve and the expected buffer in case the actual sales exceeds the expected sales of the Group. It is the Group's policy to have reserve of finished products of one to two month's production and stock of raw materials sufficient to cover one month's production. The bases for determining the maximum unit price of each type of raw materials were set out in the Announcement. The historic unit prices were in general 20% to 30% lower than the maximum unit prices as set out in the procurement framework agreement with Changbo.

In relation to liquid Isomalt and Solid Isomalt ST, it is expected most of Isomalt to be purchased under the 2024 Procurement Framework Agreement will be utilized for the production of Golden Throat Lozenge Series Products (金嗓子喉寶系列產品), one of the Group's key products and approved as food products. Solid Isomalt ST will be processed into liquid Isomalt for the purpose of production of Golden Throat Lozenge Series Products. The quantity of liquid Isomalt and Solid Isomalt ST under the 2024 Procurement Framework Agreement was determined with reference to the historical consumption in 2023, the projected production in the coming years and expected reserve. In 2023, the Group managed to sell approximately 15 million boxes of Golden Throat Lozenge Series Products, which represents a total consumption of approximately 350,000kg of Isomalt. The Group expects to consume 415,000kg, 490,000kg and 570,000kg of Isomalt (including both liquid and Solid Isomalt ST) to meet its production plan for the years of 2024, 2025 and 2026, respectively. The Group also expects to purchase 70,000kg, 80,000kg and 90,000kg of Isomalt to cover production reserve products, and 30,000kg, 40,000kg and 30,000kg of Isomalt as reserve raw materials, and 85,000kg, 30,000kg and 10,000kg of Isomalt as buffer to cover extra production in case the actual sales is better than the Group's expectation, for the years of 2024, 2025 and 2026, respectively.

Isomalt AG is a key raw material for Golden Throat Intestinal Series (金嗓子腸寶系列產品) and Golden Throat Compound Probiotic Lozenges (金嗓子複合益生菌含片), both of which were launched in 2022. The quantity of Isomalt AG under the 2024 Procurement Framework Agreement

was determined with reference to the projected production in the coming years and expected reserve. As Golden Throat Intestinal Series and Golden Throat Compound Probiotic Lozenges are new products, the Group had not carried out extensive promotion campaigns and the Group intended to test the market feedbacks for the new products and improve the product formula after launching the products. The sales of Golden Throat Intestinal Series and Golden Throat Compound Probiotic Lozenges in 2022 and/or 2023 were insignificant due to lack of promotion. After years of testing and product refinement, the Company believes that Golden Throat Intestinal Series and Golden Throat Compound Probiotic Lozenges are mature products and would promote these products as its flagship products from 2024 onwards. The Company expects to spend RMB10 million in 2024 to promote Golden Throat Intestinal Series and Golden Throat Compound Probiotic Lozenges and may further increase the promotion expenses for years of 2025 and 2026, depending on the market response to these new products. The Company expects to consume 315,000kg, 370,000kg and 420,000kg of Isomalt AG to meet its production plan for Golden Throat Intestinal Series and Golden Throat Compound Probiotic Lozenges for the years of 2024, 2025 and 2026, respectively. The Group also expects to purchase 70,000kg, 80,000kg and 90,000kg of Isomalt AG to cover production reserve products, and 30,000kg 40,000kg and 30,000kg of Isomalt AG as reserve raw materials, and 85,000kg, 30,000kg and 10,000kg of Isomalt AG as buffer to cover extra production in case the actual sales is better than the Group's expectation, for the years of 2024, 2025 and 2026, respectively.

Syrup is a raw materials for various products of the Group, such as Golden Throat Lozenge Series Products. The quantity of syrup under the 2024 Procurement Framework Agreement was determined with reference to the historical consumption in 2023, the projected production in the coming years and expected reserve. In 2023, the total purchase and consumption of syrup from Changbao were approximately 60,000kg and 60,000kg, respectively. The Company expects to consume 120,000kg, 150,000kg and 170,000kg of syrup to meet its production plan for the years of 2024, 2025 and 2026. The Group also expects to purchase 20,000kg, 30,000kg and 30,000kg of syrup to cover production reserve products, 10,000kg, 10,000kg and 10,000kg of syrup as reserve raw materials, and 0kg, 10,000kg and 40,000kg of syrup as buffer to cover extra production in case the actual sales is better than the Group's expectation, for the years of 2024, 2025 and 2026, respectively.

By order of the Board  
**Golden Throat Holdings Group Company Limited**  
**JIANG Peizhen**  
*Chairman*

Guangxi, the PRC  
31 January 2024

*As at the date of this announcement, the Board comprises Ms. JIANG Peizhen as non-executive Director, Mr. ZENG Yong, Mr. HUANG Jianping, Mr. ZENG Kexiong and Mr. HE Jinqiang as executive Directors, and Mr. LI Hua, Mr. ZHU Jierong and Mr. CHENG Yiqun as independent non-executive Directors.*