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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)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by China Traditional Chinese Medicine Holdings Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (the "**Period**"), it is expected that the net profit for the Period of the Group will decline by 165% to 175% year-on-year.

Based on the information currently available to the Board, the Board believes that the decrease in net profit for the Period of the Group was mainly attributable to the following items:

(i) the scale of revenue and profitability of concentrated TCM granules business declined owing to factors including increased proportion of centralized procurement business and intensified market competition; and

(ii) as revenue of concentrated TCM granules business missed expectations, further provision for goodwill impairment was made in respect of such assets group.

The Board wishes to highlight that the above contemplated provision for goodwill impairment is non-cash in nature, and the necessary step to put the Group's finances at a footing from which improvements would be possible in the future. The mentioned provision would have no impact on the Group's cash flow or business and production operations. It is expected that the Group would record profit for the Period if eliminating the effect of goodwill impairment, only decreasing by 50% to 60% as compared with the same period of 2024.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available and the Group's consolidated management accounts for the Period which have not been audited by the independent auditor of the Company. Shareholders and potential investors of the Company are advised to refer to the announcement regarding the Group's interim results for the six months ended 30 June 2025 to be published by the end of August 2025.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 25 July 2025

As at the date of this announcement, the Board comprises twelve Directors, of which Mr. YANG Jun, Mr. LI Hongjian and Mr. PENG Li 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.