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Grand Pharmaceutical Group Limited
遠大醫藥集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00512)

CONTINUING CONNECTED TRANSACTION

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The Board announces that on 27 August 2025, the Group entered into the Yuanda Jiufu Sales Agreement, pursuant to which Grand Pharm (China) or its related companies will sell to Yuanda Jiufu or its related companies raw materials for using in the production and sales of amino acid products and other pharmaceutical products.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement:

(a) China Grand is interested in 1,896,044,240 Shares, representing approximately 53.42% of the issued shares of the Company and is therefore a controlling shareholder of the Company; and

(b) Yuanda Jiufu is a non-wholly owned subsidiary of China Grand and is therefore an associate of China Grand.

Accordingly, Yuanda Jiufu is a connected person of the Company under Chapter 14A of the Listing Rules and the transactions under the Yuanda Jiufu Sales Agreement therefore constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios under the Yuanda Jiufu Sales Agreements exceed 0.1% but are less than 5%, the transactions contemplated under the Yuanda Jiufu Sales Agreements are subject to the reporting and announcement requirements but are exempted from the circular and the requirement for shareholders' approval under Rule 14A of the Listing Rules.

BACKGROUND

The Board announces that on 27 August 2025, the Group entered into the Yuanda Jiufu Sales Agreement, pursuant to which Grand Pharm (China) or its related companies will sell to Yuanda Jiufu or its related companies raw materials for using in the production and sales of amino acid products and other pharmaceutical products.

Details of the Yuanda Jiufu Sales Agreement are set out below.

RELATIONSHIPS BETWEEN THE PARTIES

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the relationships between the relevant parties under the Yuanda Jiufu Sales Agreements are set out below:

The Group

The Company	Grand Pharmaceutical Group Limited (遠大醫藥集團有限公司*), a company incorporated in Bermuda with limited liability with its issued Shares listed on the Stock Exchange
Grand Pharm (China)	Grand Pharmaceutical (China) Company Limited# (遠大醫藥(中國)有限公司), a company established under the laws of the PRC and is an indirect non-wholly owned subsidiary of the Company

Parties outside the Group

China Grand	China Grand Enterprises Incorporation# (中國遠大集團有限責任公司), a company established in the PRC with limited liability, a controlling shareholder of the Company, which is interested in 1,896,044,240 Shares, representing approximately 53.42% of the total issued share capital of the Company
Yuanda Jiufu	Hebei Yuanda Jiufu Biotechnology Co., Ltd.# (河北遠大九孚生物科技有限公司) (Formerly known as Baoding Jiufu Biochemical Co., Ltd.# (保定九孚生化有限公司)), a company established in the PRC with limited liability owned as to: - 81.32% owned by China Grand; - 18.68% owned by Wuhan Jiuxiang Bio-technology Partnership (Limited Partnership)[1] After making all reasonable inquiries, to the best of the directors' knowledge, except for China Grand, all shareholders of Yuanda Jiufu and their respective ultimate beneficial owners are independent third parties.

[1] Wuhan Jiuxiang Biotechnology Partnership (武漢九祥生物科技合夥企業) (有限合夥) is a limited liability partnership established in the PRC and is principally engaged in the research and development of biotechnology and is owned by Qian Zhiqiang (67.86%) and Liu Xinyan (32.14%), who are the management of a number of companies engaging in the production of pharmaceutical and chemical products.

Yuanda Jiufu Sales Agreement

The major terms of the Yuanda Jiufu Sales Agreement are summarised below:

Date:	27 August 2025
Parties	Grand Pharm (China), as supplier Yuanda Jiufu, as purchaser
Products:	Grand Pharm (China) or its related companies will sell to Yuanda Jiufu or its related companies raw materials, including industrial grade Glycine, for using in the production and sales of amino acid products and other pharmaceutical products. The parties will specify the specifications, technical requirements, prices and quantities of the raw materials to be supplied in each order.
Basis of pricing:	The prices of the products are negotiated on an arm's length basis and on normal commercial terms with reference to similar transactions in the market and are no less favourable than what Grand Pharm (China) or its related companies would charge other independent customers, if any, for the same or similar products.
Payment Terms:	The selling price will be satisfied in cash. A credit period of 90 days will be provided after the date of invoice.
Term:	For the period commencing from the Effective Date until 31 December 2025.
Historical amount:	Grand Pharm (China) and Yuanda Jiufu have not entered into any similar transactions prior to 1 January 2025. As such, there is no historical transaction amount prior to 1 January 2025. From 1 January 2025 to the date of this announcement, the Group has sold to Yuanda Jiufu and its related companies raw materials for using in the production and sales of amino acid products and other pharmaceutical products, with a cumulative amount of approximately RMB10,000,000.
Annual Caps:	The Yuanda Jiufu Sales Cap for the period commencing on the Effective Date until 31 December 2025 is RMB80 million. The Yuanda Jiufu Sales Cap is determined by the Directors based on (i) the expected volume of orders for the raw materials identified by the Group; (ii) the estimated unit prices of the products with reference to prices of comparable products in the price lists of the Group and relevant market prices; and (iii) estimated buffer for fluctuation of market prices and change in specifications.

Conditions precedent: The Yuanda Jiufu Sales Agreement is effective upon the fulfillment of the following conditions:

(i) all necessary consents and approvals required to be obtained by the parties to the Yuanda Jiufu Sales Agreement in respect of the entering into of the said agreement and the transactions contemplated thereunder having been obtained;

(ii) if necessary, the independent Shareholders of the Company having approved the Yuanda Jiufu Sales Agreement and the transactions contemplated thereunder by passing an ordinary resolution at a general meeting; and

(iii) as the transactions contemplated under the Yuanda Jiufu Sales Agreement constitute continuing connected transactions for the Company, the performance of the obligations under the said agreement having complied with the requirements of the Listing Rules.

If any of the conditions precedent above has not been satisfied on or before 30 September 2025 (or such later date as may be agreed by both parties in writing), the Yuanda Jiufu Sales Agreement shall be terminated, and neither party thereto shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

INFORMATION ABOUT THE GROUP AND YUANDA JIUFU

The Group is mainly engaged in the research and development, manufacturing and sales of pharmaceutical preparations, medical devices, specialised pharmaceutical raw materials and healthcare products.

Yuanda Jiufu and its subsidiaries are principally engaged in the manufacture and sale of high-end steroidal compounds.

REASONS AND BENEFITS FOR ENTERING INTO THE YUANDA JIUFU SALES AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the entering into of the YuanDa JiuFu Sales Agreement can enable the Group to broaden its market reach for amino acid products and other pharmaceutical products and increase the revenue of the Group from the sales of raw materials and related pharmaceutical products.

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

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Yuanda Jiufu Sales Agreement for the continuing connected transactions are fair and reasonable, and the transactions are carried out based on normal or better commercial terms, the Group has adopted the following internal control measures:

(i) for the purpose of ascertaining the market prices of raw materials, the sales department would extract information from the Group's internal sales record to ascertain the range of unit price which the Group charges for products of comparable quality, quantity and specifications which have been supplied to Independent Third Parties in the quarter preceding the intended sales to Yuanda Jiufu. If there is no such sales record, the sales department will use the three latest sales records for products of comparable quality, quantity and specifications sold to Independent Third Parties as the reference price range for the sales to Yuanda Jiufu. The Group will ensure that the unit prices chargeable to Yuanda Jiufu will not be lower than the upper limits of the aforesaid price range. The final unit prices chargeable to Yuanda Jiufu shall be approved and confirmed by the management of the sales department;

(ii) the finance manager of the Group will (a) monitor the transaction amounts and review the management accounts on a monthly basis to ensure that the actual transaction amounts do not exceed the Yuanda Jiufu Sales Cap; and (b) report to the Board for consideration and approval, to determine whether revision of Yuanda Jiufu Sales Cap is necessary to comply with the Listing Rules if the transaction amount is expected to exceed the Yuanda Jiufu Sales Cap;

(iii) the Company's auditors and the independent non-executive Directors will conduct annual review on the continuing connected transactions under the Yuanda Jiufu Sales Agreement and provide annual confirmations to ensure that, pursuant to Rules 14A.55and 14A.56 of the Listing Rules, the transactions are conducted in accordance with the terms of the such agreement, on normal commercial terms and in accordance with the relevant pricing policies; and

(iv) the Board will continue to review annually the Company's internal control systems and its effectiveness.

IMPLICATIONS UNDER THE LISTING RULES

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement,

(i) China Grand is interested in 1,896,044,240 Shares, representing approximately 53.42% of the total issued share capital of the Company and is thus a controlling shareholder of the Company; and

(ii) Yuanda Jiufu is a non-wholly owned subsidiary of China Grand.

Accordingly, each of China Grand and Yuanda Jiufu is a connected person of the Company under Chapter 14A of the Listing Rules. Hence the transactions contemplated under the Yuanda Jiufu Sales Agreement constitute continuing connected transactions on the part of the Company.

The Yuanda Jiufu Sales Cap for the period commencing on the Effective Date until 31 December 2025 is RMB80 million.

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules for the transactions contemplated under the Yuanda Jiufu Sales Agreement exceed 0.1%, but all are less than 5%, the transactions contemplated under the Yuanda Jiufu Sales Agreement are subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Yang Guang is the general manager of the investment management department of China Grand. He has voluntarily abstained from voting on the board resolutions for approving the transactions contemplated under the Yuanda Jiufu Sales Agreement to avoid any potential conflict of interests. Save as aforesaid, the Board confirms that none of the Directors has any material interest in the transactions contemplated under the Yuanda Jiufu Sales Agreement and is required to abstain from voting on the board resolutions for approving the Yuanda Jiufu Sales Agreement.

DEFINITIONS

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

"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"China Grand"	China Grand Enterprises Incorporation* (中國遠大集團有限責任公司), a company established in the PRC with limited liability, being a controlling shareholder of the Company which is indirectly interested in approximately 47.09% of the total issued share capital of the Company, and is controlled and ultimately and beneficially owned by Mr. Hu Kaijun

"Company"	Grand Pharmaceutical Group Limited (遠大醫藥集團有限公司*), a company incorporated in Bermuda with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Effective Date"	the effective date of the Yuanda Jiufu Sales Agreement, i.e. the date upon fulfilment of all conditions precedents set out in the Yuanda Jiufu Sales Agreement
"Grand Pharm (China)"	Grand Pharmaceutical (China) Company Limited# (遠大醫藥(中國)有限公司), a company established in the PRC with limited liability, being an indirect non-wholly owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any person(s) or company(ies) and their ultimate benficial owner(s) who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with the Company or its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Yuanda Jiufu"	Hebei Yuanda Jiufu Biotechnology Co., Ltd.# (河北遠大九孚生物科技有限公司) (Formerly known as Baoding Jiufu Biochemical Co., Ltd.# (保定九孚生化有限公司)), a company established in the PRC with limited liability as 81.32% owned by Grand Pharm (China) and 18.68% owned by Wuhan Jiuxiang Bio-technology Partnership (Limited Partnership), independent third parties
"Yuanda Jiufu Sales Agreement"	the agreement dated 27 August 2025 and entered into between Grand Pharm (China) and Yuanda Jiufu pursuant to which Grand Pharm (China) or its related companies will sell to Yuanda Jiufu or its related companies raw materials for using in the production and sales of amino acid products or other pharmaceutical products
"Yuanda Jiufu Sales Cap"	the annual cap for the transactions contemplated under the Yuanda Jiufu Sales Agreement for the period commencing on the Effective Date and ending 31 December 2025
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

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

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Mr. Zhou Chao, Mr. Yang Guang and Ms. Lam Chit Yee Jessica, and four independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Xing Li Na, Dr. Pei Geng and Mr. Hu Yebi.

** For identification purpose only*