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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)

CONNECTED TRANSACTIONS IN RELATION TO THE ALCOHOL EXTRACTION WORKSHOP CONSTRUCTION PROJECT – PURIFICATION ENGINEERING CONSTRUCTION AGREEMENT AND WASTEWATER PRETREATMENT SUPPORTING EQUIPMENT AND FACILITIES PROCUREMENT PROJECT AGREEMENT

The Board announces that on 1 September 2025, Tongjitang Pharmaceutical, a subsidiary of the Company entered into the following agreements (the "**Agreements**"):

(1) Alcohol extraction workshop construction project – purification engineering construction agreement with Pharmengin and Wuhan Hongli: Pharmengin and Wuhan Hongli shall provide construction services for the alcohol extraction workshop and its supporting machine rooms and tank areas, including building decoration and renovation engineering, water supply and drainage engineering, heating ventilation engineering, electrical engineering, process piping engineering, thermal engineering, automatic-control engineering, stainless steel appliances, steel platforms and equipment engineering.

(2) Alcohol extraction workshop construction project – wastewater pretreatment supporting equipment and facilities procurement project agreement with Pharmengin: Pharmengin shall provide wastewater pretreatment supporting equipment and facilities construction for the alcohol extraction workshop construction project of Tongjitang Pharmaceutical, including survey, design, procurement and installation of process equipment and construction of supporting facilities.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CNPGC held 1,685,055,642 Shares, representing approximately 33.46% of the issued Shares. Tongjitang Pharmaceutical is a subsidiary of the Company, and Pharmengin is a subsidiary of CNPGC. Therefore, Pharmengin is a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Agreements constitute connected transactions of the Company.

As the transactions contemplated under the Agreements were entered into with the same connected person, pursuant to the requirements under Rule 14A.81 of the Listing Rules, the transactions contemplated under the Agreements shall be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Agreements exceed 0.1% but are all less than 5%, and the transactions contemplated under the Agreements are conducted on normal commercial terms, they are exempted from the requirement of approval by independent Shareholders of the Company, but shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules.

ALCOHOL EXTRACTION WORKSHOP CONSTRUCTION PROJECT – PURIFICATION ENGINEERING CONSTRUCTION AGREEMENT

Date: 1 September 2025

Parties: (i) Tongjitang Pharmaceutical; and
(ii) Pharmengin (the leading unit) and Wuhan Hongli.

Subject Matters

Pursuant to the alcohol extraction workshop construction project – purification engineering construction agreement, Pharmengin and Wuhan Hongli shall provide construction services for the alcohol extraction workshop and its supporting machine rooms and tank areas, including building decoration and renovation engineering, water supply and drainage engineering, heating ventilation engineering, electrical engineering, process piping engineering, thermal engineering, automatic-control engineering, stainless steel appliances, steel platforms and equipment engineering.

Agreement Term

The construction period for the purification engineering shall be 110 days.

Fees

The agreement fee shall be RMB15,950,000.

ALCOHOL EXTRACTION WORKSHOP CONSTRUCTION PROJECT – WASTEWATER PRETREATMENT SUPPORTING EQUIPMENT AND FACILITIES PROCUREMENT PROJECT AGREEMENT

Date: 1 September 2025

Parties: (i) Tongjitang Pharmaceutical; and
(ii) Pharmengin.

Subject Matters

Pursuant to the alcohol extraction workshop construction project - wastewater pretreatment supporting equipment and facilities procurement project agreement, Pharmengin shall provide wastewater pretreatment supporting equipment and facilities construction for the alcohol extraction workshop construction project of Tongjitang Pharmaceutical, including survey, design, procurement and installation of process equipment and construction of supporting facilities.

Agreement Term

The construction period for the wastewater pretreatment supporting equipment and facilities shall be 140 days.

Fees

The agreement fee shall be RMB3,980,000.

Basis for Fees and Payment Terms

The fees for the Agreements are determined after negotiation, taking into account the bidding price together with project optimization and cost control, market conditions and technical optimization, and shall be paid by Tongjitang Pharmaceutical with its own funds. To ensure that the price complies with normal commercial terms, the service providers for the Agreements are selected through an open bidding process. At least three providers have participated in the bidding process which complied with relevant regulations. During the bidding process, the Group has considered the factors including (i) the terms of tender proposals offered by the participating bidders, which include the tender price and the terms set by them for bidding; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget for relevant services; and (v) the past tender contract unit price and charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

The project payment under the alcohol extraction workshop construction project - purification engineering construction agreement will be paid by Tongjitang Pharmaceutical to Pharmengin in six stages according to the progress of the project. After passing of the GMP inspection, completion

acceptance and completion of settlement of the project, 3% of the total settlement amount will be reserved as a warranty deposit, which will be paid upon expiry of the project defect guarantee period and upon confirmation of no quality issues.

The project payment under the alcohol extraction workshop construction project - wastewater pretreatment supporting equipment and facilities procurement project agreement will be paid by Tongjitang Pharmaceutical to Pharmengin in five stages according to the progress of the project. After completion of the project settlement and project completion acceptance, 10% of the total settlement amount will be reserved as a warranty deposit, which will be paid upon confirmation of no quality issues within two years from the date of project acceptance.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The connected transactions contemplated under the Agreements are a crucial component of the alcohol extraction workshop construction project of Tongjitang Pharmaceutical, which is a key project supporting the production of Tongjitang Pharmaceutical's core products and improving production capacity and quality. By entering into the Agreements with Pharmengin, the Group will be able to leverage CNPGC's internal synergetic effects to reduce project costs and increase overall efficiency. Pharmengin holds qualifications for construction and management, including Grade II General Contracting of Constructions, Grade I Professional Contracting of Building Mechanical and Electrical Installation, Grade II Specialized Contracting for Building Decoration and Renovation Projects, Grade II Professional Contracting of Environmental Projects, as well as Grade B Professional Qualification for Engineering Supervision. During the bidding process, Tongjitang Pharmaceutical has taken into account the factors mentioned above in this announcement and Pharmengin's qualifications and decided to accept Pharmengin's bid and entrust it with the aforementioned services.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the Agreements are conducted on normal commercial terms during the Group's daily and ordinary business operation, and the terms of the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON TONGJITANG PHARMACEUTICAL, PHARMENGIN AND WUHAN HONGLI

Tongjitang Pharmaceutical is a subsidiary of the Company and its business covers the production of TCM finished drugs, the production and sales of the concentrated TCM granules and Chinese medicinal herbs integration business.

Pharmengin, a subsidiary of CNPGC, is engaged in the pharmaceutical engineering services industry. Pharmengin is committed to providing customers with the whole process technical services including pharmaceutical engineering consulting design, construction general contracting and GMP verification overall solution plans, which has the most comprehensive engineering and technical qualifications in the pharmaceutical engineering services industry in China.

Wuhan Hongli, whose ultimate beneficial owners are Mr. WU Shengli and Mr. XIONG Hanrong, is a third party independent of the Group and the connected persons of the Group, and is mainly engaged in construction engineering, electrical installation and fire control facilities engineering, and holds the first-class professional contracting qualification for building mechanical and electrical installation projects and the second-class professional contracting qualification for steel structural engineering, building renovation and decoration engineering, fire control facilities engineering and electronic and intelligent engineering.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CNPGC held 1,685,055,642 Shares, representing approximately 33.46% of the issued Shares. Tongjitang Pharmaceutical is a subsidiary of the Company, and Pharmengin is a subsidiary of CNPGC. Therefore, Pharmengin is a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Agreements constitute connected transactions of the Company.

As the transactions contemplated under the Agreements were entered into with the same connected person, pursuant to the requirements under Rule 14A.81 of the Listing Rules, the transactions contemplated under the Agreements shall be aggregated and regarded as a single transaction.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Agreements exceed 0.1% but are all less than 5%, and the transactions contemplated under the Agreements are conducted on normal commercial terms, they are exempted from the requirement of approval by independent Shareholders of the Company, but shall be subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules.

Mr. YANG Jun, Mr. LI Hongjian and Mr. PENG Li, the executive Directors and Mr. LIU Haijian, Mr. LI Xiangrong, Mr. ZU Jing and Ms. XU Jinghui, the non-executive Directors, are directors nominated by CNPGC and are considered to have material interests in the Agreements. They have abstained from voting on the relevant resolutions to approve the Agreements at the Board meeting. Save as disclosed above, none of the other Directors has a material interest in the Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

"Agreements"	alcohol extraction workshop construction project – purification engineering construction agreement entered into between Tongjitang Pharmaceutical and Pharmengin and Wuhan Hongli; and alcohol extraction workshop construction project – wastewater pretreatment supporting equipment and facilities procurement project agreement entered into between Tongjitang Pharmaceutical and Pharmengin
"Board"	the board of directors of the Company
"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
"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)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Pharmengin"	Sino Pharmengin Corporation, a subsidiary of CNPGC
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"TCM"	traditional Chinese medicine
"Tongjitang Pharmaceutical"	Sinopharm Group Tongjitang (Guizhou) Pharmaceutical Co., Ltd., a subsidiary of the Company
"Wuhan Hongli"	Wuhan Honglida Mechanical & Electrical Engineering Co., Ltd., a company incorporated in the PRC
"%"	percent

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

Hong Kong, 1 September 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.