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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTION IN RELATION TO THE NEW FINANCIAL SERVICES (2025) FRAMEWORK AGREEMENT

Financial Adviser to the Company

THE NEW FINANCIAL SERVICES (2025) FRAMEWORK AGREEMENT

On 19 November 2025, the Company and Sinopharm Group Finance entered into the New Financial Services (2025) Framework Agreement, pursuant to which Sinopharm Group Finance agreed to provide Financial Services to the Group during the period from 19 November 2025 to 31 December 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CNPGC holds 1,685,055,642 Shares, representing approximately 33.46% of the total number of issued Shares. Sinopharm Group Finance is owned as to approximately 52.7750%, 31.7705%, 5.4545%, 5.4545% and 4.5455% by CNPGC, CNBG, CNTCM, Shanghai Shyndec Pharmaceutical and Sinopharm Group, respectively. As such, Sinopharm Group Finance is a connected person of the Company. Therefore, the New Financial Services (2025) Framework Agreement and the transactions contemplated thereunder constitute continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

The Company entered into the New Financial Services (2025) Framework Agreement with Sinopharm Group Finance, which covers deposit services, loan services and Other Financial Services. In respect of deposit services, as one or more of the applicable percentage ratios in respect of the annual cap for the deposit services under the New Financial Services (2025) Framework Agreement is higher than 0.1% but less than 5%, the deposit services under the New Financial Services (2025) Framework Agreement are only subject to reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the loan services, the loans to be provided by Sinopharm Group Finance to the Group under the New Financial Services (2025) Framework Agreement will constitute financial assistance by a connected person for the benefit of the Group. As the loans will be provided on terms which are no less favourable than those offered by independent third parties and the Company does not intend to offer any assets of the Group as security for the loans, the loan services under the New Financial Services (2025) Framework Agreement will be fully exempt under Rule 14A.90 of the Listing Rules.

In respect of the Other Financial Services, as each of the applicable percentage ratios in respect of the estimated aggregate amount of the service fees in connection with the Other Financial Services on an annual basis is less than 0.1%, the Other Financial Services under the New Financial Services (2025) Framework Agreement will be fully exempt under Rule 14A.76(1) of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 18 November 2022 in relation to, among others, the entering into of the Existing Agreement with a duration of three years. As the term of the Existing Agreement will expire on 19 November 2025, on 19 November 2025, the Company entered into the New Financial Services (2025) Framework Agreement with Sinopharm Group Finance to govern the terms of the Financial Services, including deposit services, loan services and Other Financial Services, during the period from 19 November 2025 to 31 December 2025. The New Financial Services (2025) Framework Agreement is on terms substantially similar to the Existing Agreement.

The Company entered into the New Financial Services (2025) Framework Agreement with Sinopharm Group Finance, which covers deposit services, loan services and Other Financial Services. In respect of deposit services, as one or more of the applicable percentage ratios in respect of the annual cap for the deposit services under the New Financial Services (2025) Framework Agreement is higher than 0.1% but less than 5%, the deposit services under the New Financial Services (2025) Framework Agreement are only subject to reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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In respect of the Other Financial Services, as each of the applicable percentage ratios in respect of the estimated aggregate amount of the service fees in connection with the Other Financial Services on an annual basis is less than 0.1%, the Other Financial Services under the New Financial Services (2025) Framework Agreement will be fully exempt under Rule 14A.76(1) of the Listing Rules.

THE DEPOSIT SERVICES

Principal terms of the New Financial Services (2025) Framework Agreement in relation to the deposit services

Date : 19 November 2025

Parties : (1) The Company; and

(2) Sinopharm Group Finance

Subject : Pursuant to the New Financial Services (2025) Framework Agreement, Sinopharm Group Finance agreed to provide the Financial Services to the Group during the period from 19 November 2025 to 31 December 2025.

The Group may utilise the Financial Services on a non-compulsory basis. Among other things, the terms of the Financial Services shall adhere to the following principles:

(i) the terms of the Financial Services shall be no less favourable than those available to the Group from other independent financial institutions for comparable services; and, on the same terms, the Group may, at its discretion and without obligation, elect to obtain the Financial Services from Sinopharm Group Finance; and

(ii) for deposit services, the interest rates offered by Sinopharm Group Finance to the Group shall not be lower than the interest rates offered to the Group by independent commercial banks for the same category of deposits.

HISTORICAL FIGURES AND ANNUAL CAP FOR THE DEPOSIT SERVICES

The following table sets out (i) the historical maximum daily deposit balance (including accrued interest) under the Existing Agreement for each of the three years ended 31 December 2024 and for the nine months ended 30 September 2025; and (ii) the annual cap for the deposit services (i.e. the maximum daily deposit balance, including accrued interest) under the New Financial Services (2025) Framework Agreement during the period from 19 November 2025 to 31 December 2025.

	For the year ended 31 December			For the nine months ended 30 September	During the period from 19 November 2025 to 31 December
	2022	**2023**	**2024**	**2025**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Historical maximum daily deposit balance (including accrued interest)					
Existing annual caps	600,000	600,000	600,000	600,000	–
Actual amount	595,000	587,000	587,000	582,000	–
Utilisation rate	99.2%	97.8%	97.8%	97.0%	–
Annual cap	–	–	–	–	400,000

BASIS OF DETERMINATION OF THE ANNUAL CAP FOR THE DEPOSIT SERVICES

The annual cap (from 19 November 2025 to 31 December 2025) for deposit services was determined by reference to (i) the need to maintain continuity of deposit services during the transitional period pending Shareholders' approval of the next continuing connected transaction, in compliance with the Listing Rules; and (ii) the anticipated demand for deposit services by the Group during the period from 19 November 2025 to 31 December 2025.

The Board considers that, although the annual cap for deposit services under the New Financial Services (2025) Framework Agreement is lower than the historical maximum daily deposit balance, it is adequate to meet the Company's deposit service needs with Sinopharm Group Finance during the transitional period.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCIAL SERVICES (2025) FRAMEWORK AGREEMENT

The New Financial Services (2025) Framework Agreement was entered into so as to (i) ensure the continuity of the Financial Services during the period from 19 November 2025 to 31 December 2025; and (ii) align the expiry date of the Group's agreements relating to continuing connected transactions to 31 December for administrative consistency and to facilitate future management of such transactions.

In connection with such alignment, the Company will, as and when appropriate, make further announcement(s) to keep the Shareholders and potential investors informed of any development regarding the renewal of the relevant agreements after 31 December 2025.

The Board considers that entering into the New Financial Services (2025) Framework Agreement is in the interest of the Group as it provides an option to the Group in procuring financial services for its treasury management. Given the Group's close relationship with the CNPGC Group, the application procedures for financial services from Sinopharm Group Finance (being a subsidiary of CNPGC) are more efficient, convenient and flexible than those of the independent commercial banks. Furthermore, according to the New Financial Services (2025) Framework Agreement, the terms of Financial Services offered by Sinopharm Group Finance will be no less favourable than those offered by the independent commercial banks to the Group.

Having considered the above, the Board (including the independent non-executive Directors but excluding Directors who have abstained from voting) is of the view that the terms of the New Financial Services (2025) Framework Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable and the New Financial Services (2025) Framework Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROLS FOR THE FINANCIAL SERVICES

In accordance with the Group's internal control policy applicable to procurement of the Financial Services with any financial institutions, the finance department of the Company shall obtain quotations from at least three service providers, the terms of service, the interest rate and other applicable service details of different service providers are compared. The finance department of the Company shall then recommend the service provider and their suggestion to the management of the Company. The management of the Company will review and approve the terms of the Financial Services to ensure that the service provider which offers terms most suited to the Group's needs is chosen. If Sinopharm Group Finance is selected as the service provider, the management of the Company will ensure that the terms of the Financial Services strictly adhere to the principles of the New Financial Services (2025) Framework Agreement set out in the paragraph headed "Subject" under "Principal terms of the New Financial Services (2025) Framework Agreement in relation to the deposit services" above.

INFORMATION ON THE PARTIES

The Group

The principal business activities of the Group are the manufacture and sales of TCM and pharmaceutical products in the PRC with a focus on concentrated TCM granules, TCM finished drugs and TCM decoction pieces.

Sinopharm Group Finance

Sinopharm Group Finance is a non-bank financial institution regulated by the PBOC and the NFRA. Sinopharm Group Finance is principally engaged in the provision of financial services to the members of the CNPGC Group, including deposit taking, provision of loans, bills acceptance and discounting, entrustment loans, settlement services as well as other financial services such as provision of financial advisory and other advisory agency services, non-financing guarantee services and other services as approved by the NFRA and to be provided by Sinopharm Group Finance.

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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 New Financial Services (2025) Framework Agreement. They have abstained from voting on the relevant resolutions to approve the New Financial Services (2025) Framework Agreement at the Board meeting. Save as disclosed above, none of the other Directors has a material interest in the New Financial Services (2025) Framework Agreement and the transactions contemplated thereunder.

DEFINITONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

"Board"	the board of Directors;
"CNBG"	China National Biotec Group Company Limited(中國生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability, a wholly-owned subsidiary of CNPGC;
"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;
"CNPGC Group"	CNPGC and its subsidiaries;
"CNTCM"	China National Traditional Chinese Medicine Co., Ltd. (中國中藥有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of CNPGC;
"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"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;

"Existing Agreement"	the financial services framework agreement dated 18 November 2022 entered into between the Company and Sinopharm Group Finance in relation to the provision of the Financial Services by Sinopharm Group Finance to the Group during the period from 20 November 2022 to 19 November 2025;
"Financial Services"	deposit services, loan and entrustment loan services and Other Financial Services provided by Sinopharm Group Finance to the Group;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Shareholders"	the Shareholders other than CNPGC and its associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"New Financial Services (2025) Framework Agreement"	the financial services framework agreement dated 19 November 2025 entered into between the Company and Sinopharm Group Finance in relation to the provision of the Financial Services by Sinopharm Group Finance to the Group during the period from 19 November 2025 to 31 December 2025;
"NFRA"	the National Financial Regulatory Administration;
"Other Financial Services"	bill discounting and acceptance services, non-financing guarantee services, online banking services, financial advisory services, and such other services as approved by the NFRA and to be provided by Sinopharm Group Finance;
"PBOC"	the People's Bank of China;
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan);
"RMB"	Renminbi, the lawful currency of the PRC;
"Shanghai Shyndec Pharmaceutical"	Shanghai Shyndec Pharmaceutical Co., Ltd. (上海現代製藥股份有限公司), a joint stock company incorporated in the PRC with limited liability which is listed on the Shanghai Stock Exchange (stock code: 600420), a subsidiary of CNPGC;

"Share(s)"	the share(s) of the Company;
"Shareholder(s)"	holder(s) of the Shares;
"Sinopharm Group"	Sinopharm Group Co. Ltd. (國藥控股股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability which is listed on the Stock Exchange (stock code: 1099), a subsidiary of CNPGC;
"Sinopharm Group Finance"	Sinopharm Group Finance Co., Ltd.(國藥集團財務有限公司), a company incorporated under the laws of the PRC with limited liability, which is a non-bank financial institution;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"TCM"	traditional Chinese medicine; and
"%"	per cent.

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

Hong Kong, 19 November 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.