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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (1) THE FINANCIAL SERVICES (2026-2028) FRAMEWORK AGREEMENT; (2) THE MASTER PURCHASE (2026-2028) AGREEMENT; AND (3) THE MASTER SUPPLY (2026-2028) AGREEMENT

Financial Adviser to the Company

PELICAN FINANCIAL
百利勤金融

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

THE FINANCIAL SERVICES (2026-2028) FRAMEWORK AGREEMENT

On 25 November 2025, the Company and Sinopharm Group Finance entered into the Financial Services (2026-2028) Framework Agreement, pursuant to which Sinopharm Group Finance agreed to provide Financial Services to the Group for a term of three years from 1 January 2026 to 31 December 2028.

THE MASTER PURCHASE (2026-2028) AGREEMENT

On 25 November 2025, the Company entered into the Master Purchase (2026-2028) Agreement with CNPGC, pursuant to which the Group conditionally agreed to purchase the Materials to be supplied by the CNPGC Group during the period from 1 January 2026 to 31 December 2028.

THE MASTER SUPPLY (2026-2028) AGREEMENT

On 25 November 2025, the Company entered into the Master Supply (2026-2028) Agreement with CNPGC, pursuant to which the Group conditionally agreed to sell the Products to the CNPGC Group during the period from 1 January 2026 to 31 December 2028.

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, CNPGC and Sinopharm Group Finance are connected persons of the Company. Therefore, the Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

The Company entered into the Financial Services (2026-2028) Framework Agreement with Sinopharm Group Finance, which covers deposit services, loan services and Other Financial Services. In respect of deposit services, as the highest applicable percentage ratios in respect of the proposed Annual Caps is higher than 5% and more than HK$10,000,000, the Financial Services (2026-2028) Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the 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 Financial Services (2026-2028) 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 Financial Services (2026-2028) 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 Financial Services (2026-2028) Framework Agreement will be fully exempt under Rule 14A.76(1) of the Listing Rules.

In respect of the Master Purchase (2026-2028) Agreement, as the highest applicable percentage ratios in respect of the Proposed Purchase Caps is higher than 5% and more than HK$10,000,000, the Master Purchase (2026-2028) Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Master Supply (2026-2028) Agreement, as the highest applicable percentage ratios in respect of the Proposed Sales Caps is higher than 25%, the Master Supply (2026-2028) Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened by the Company at which resolutions will be proposed to seek approval from the Independent Shareholders for the Agreements and the respective transactions contemplated thereunder by way of poll. CNPGC and its associates, which are interested in 1,685,055,642 Shares as at the date of this announcement (representing approximately 33.46% of the total number of issued Shares), will abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders on the Agreements and the respective transactions contemplated thereunder. The Independent Board Committee comprises Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong, all being independent non-executive Directors.

GENERAL

A circular containing, among others, (i) details of the Agreements and the respective transactions contemplated thereunder; (ii) the letter of recommendation from the Independent Board Committee regarding the Agreements and the respective transactions contemplated thereunder; (iii) the letter of advice from the Gram Capital to the Independent Board Committee and the Independent Shareholders regarding the Agreements and the respective transactions contemplated thereunder; and (iv) a notice of the EGM is expected to be sent to the Shareholders on or around 16 December 2025 in compliance with the Listing Rules.

THE FINANCIAL SERVICES (2026-2028) FRAMEWORK AGREEMENT

References are made to (i) the announcement of the Company dated 18 November 2022 in relation to, among others, the entering into of the Financial Services (2023-2025) Framework Agreement; and (ii) the announcement of the Company dated 19 November 2025 in relation to, among others, the entering into of the Financial Services (2025) Framework Agreement.

The Company has entered into the 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. The 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. As the term of the Financial Services (2025) Framework Agreement will expire on 31 December 2025, on 25 November 2025, the Company entered into the Financial Services (2026-2028) Framework Agreement with Sinopharm Group Finance to govern the terms of the Financial Services, including deposit services, loan services and Other Financial Services, for the three years ending 31 December 2028. The Financial Services (2026-2028) Framework Agreement is on substantially similar terms to the Financial Services (2023-2025) Framework Agreement.

The Company entered into the Financial Services (2026-2028) Framework Agreement with Sinopharm Group Finance, which covers deposit services, loan services and Other Financial Services. In respect of the loan services, the loans to be provided by Sinopharm Group Finance to the Group under the Financial Services (2026-2028) 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 Financial Services (2026-2028) Framework Agreement will be fully exempt under Rule 14A.90 of the Listing Rules.

In addition, 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 Financial Services (2026-2028) Framework Agreement will be fully exempt under Rule 14A.76(1) of the Listing Rules.

Principal terms of the Financial Services (2026-2028) Framework Agreement in relation to the deposit services:

Date	:	25 November 2025
Parties	:	(1) The Company; and (2) Sinopharm Group Finance
Subject	:	Pursuant to the Financial Services (2026-2028) Framework Agreement, Sinopharm Group Finance agreed to provide the Financial Services to the Group during the period from 1 January 2026 to 31 December 2028. 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.

THE MASTER PURCHASE (2026-2028) AGREEMENT

Reference is made to the announcement of the Company dated 11 November 2022 in relation to, among others, the entering into of the Existing Master Purchase Agreement.

As the term of the Existing Master Purchase Agreement will expire on 31 December 2025, on 25 November 2025, the Company entered into the Master Purchase (2026-2028) Agreement with CNPGC to govern the terms of the Purchases for the three years ending 31 December 2028. The Master Purchase (2026-2028) Agreement is on substantially similar terms to the Existing Master Purchase Agreement.

Principal terms of the Master Purchase (2026-2028) Agreement:

Date	:	25 November 2025
Parties	:	(1) The Company; and (2) CNPGC
Subject	:	Pursuant to the Master Purchase (2026-2028) Agreement, the Group conditionally agreed to purchase the Materials and the Services to be supplied by the CNPGC Group during the period from 1 January 2026 to 31 December 2028. The terms of the Purchases shall adhere to the following principles: (i) the terms of the Purchases (including prices, discounts, credit period and payment terms) shall be fair and reasonable and on normal commercial terms, and no less favourable to the Group than those available to the Group from independent third parties; and (ii) the prices of the Materials and fees for the Services shall be determined based on the prevailing market prices.
The Materials	:	The Materials are major TCM materials used to manufacture pharmaceutical products of the Group, including but not limited to vitro cultivation calculus bovis(體外培育牛黃), pangolin scales(炮山甲), scorpion(全蠍), artificial musk(人工麝香), atractylodes lancea(蒼朮)and resina draconis(血竭).
The Services	:	The Services provided by the CNPGC Group including engineering services (excluding construction), exhibition services, information support services, leasing services, research and development (R&D) services, as well as other services such as training and legal consulting.
Conditions precedent	:	The Master Purchase (2026-2028) Agreement is conditional upon the fulfilment of the following conditions (if applicable):

(i) the passing of the resolution(s) by the Independent Shareholders at the EGM to approve the Master Purchase (2026-2028) Agreement and the transactions contemplated thereunder and the Proposed Purchase Caps as required under the Listing Rules;

(ii) CNPGC having approved the Master Purchase (2026-2028) Agreement in accordance with its articles of association (if applicable); and

(iii) other regulatory approval (if any) applicable to the Company and CNPGC in relation to the Master Purchase (2026-2028) Agreement having been obtained.

None of the above conditions can be waived.

THE MASTER SUPPLY (2026-2028) AGREEMENT

References are made to the announcement and the circular of the Company dated 11 November 2022 and 15 December 2022 respectively in relation to, among others, the entering into of the Existing Master Supply Agreement. As the term of the Existing Master Supply Agreement will expire on 31 December 2025, on 25 November 2025, the Company entered into the Master Supply (2026-2028) Agreement with CNPGC to govern the terms of the Sales for the three years ending 31 December 2028. The Master Supply (2026-2028) Agreement is on substantially similar terms to the Existing Master Supply Agreement.

Principal terms of the Master Supply (2026-2028) Agreement:

Date	:	25 November 2025
Parties	:	(1) The Company; and (2) CNPGC
Subject	:	Pursuant to the Master Supply (2026-2028) Agreement, the Group conditionally agreed to sell the Products and provide leasing services to the CNPGC Group during the period from 1 January 2026 to 31 December 2028.

The terms of the Sales shall adhere to the following principles:

(i) the terms of the Sales (including prices, discounts, credit period and payment terms) shall be fair and reasonable and on normal commercial terms, and no less favourable to the Group than those offered by the Group to independent third parties; and

(ii) the prices of the Products and fees for leasing service shall be determined based on the prevailing market prices.

The Products	:	The Products are pharmaceutical products manufactured and supplied by the Group, including but not limited to Nifedipine sustained-release Tablets* (硝苯地平緩釋片), Yu Ping Feng Granules* (玉屏風顆粒), Biyankang Tablets* (鼻炎康片), Vitamin C Yinqiao Tablets* (維C銀翹片), concentrated TCM granules (中藥配方顆粒) and TCM decoction pieces (中藥飲片).
Conditions precedent	:	The Master Supply (2026-2028) Agreement is conditional upon the fulfilment of the following conditions (if applicable):

(i) the passing of the resolution(s) by the Independent Shareholders at the EGM to approve the Master Supply (2026-2028) Agreement and the transactions contemplated thereunder and the Proposed Sales Caps as required under the Listing Rules;

(ii) CNPGC having approved the Master Supply (2026-2028) Agreement in accordance with its articles of association (if applicable); and

(iii) other regulatory approval (if any) applicable to the Company and CNPGC in relation to the Master Supply (2026-2028) Agreement having been obtained.

None of the above conditions can be waived.

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS OF THE AGREEMENTS

The following table sets out (i) the historical maximum daily deposit balance (including accrued interest) under the Financial Services (2023-2025) Framework Agreement for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 and the proposed Annual Caps for the deposit services (i.e. the maximum daily deposit balance, including accrued interest) under the Financial Services (2026-2028) Framework Agreement for the three years ending 31 December 2028; (ii) the historical figures of the continuing connected transactions under the Existing Master Purchase Agreement for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 and the proposed Annual Caps of the Master Purchase (2026-2028) Agreement for the three years ending 31 December 2028; and (iii) the historical figures of the continuing connected transactions under the Existing Master Supply Agreement for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 and the proposed Annual Caps of the Master Supply (2026-2028) Agreement for the three years ending 31 December 2028:

	For the year ended 31 December		For the nine months ended 30 September 2025 (for actual amount)/For the year ending 31 December 2025 (for existing annual cap)	During the period from 19 November 2025 to 31 December 2025 *(Note 1)*	For the year ending 31 December		
	2023	**2024**			**2026**	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Services (2026-2028) Framework Agreement							
Maximum daily deposit balance (including accrued interest)							
Existing annual caps	600,000	600,000	600,000	400,000	–	–	–
Actual amount	587,000	587,000	582,000	–	–	–	–
Utilisation rate	97.8%	97.8%	97.0%	–	–	–	–
Proposed Annual Caps	–	–	–	–	900,000	900,000	900,000
Master Purchase (2026-2028) Agreement							
Historical annual caps	300,000	450,000	675,000	N/A	–	–	–
Actual amount	167,520	119,270	67,496	N/A	–	–	–
Utilisation rate	55.8%	26.5%	10.0%	N/A	–	–	–
Proposed Annual Caps	–	–	–	–	704,100	724,600	740,100

	For the year ended 31 December		For the nine months ended 30 September 2025 (for actual amount)/For the year ending 31 December 2025 (for existing annual cap)	During the period from 19 November 2025 to 31 December 2025 *(Note 1)*	For the year ending 31 December		
	2023	2024			2026	2027	2028
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Master Supply (2026-2028) Agreement							
Historical annual caps	1,750,000	2,100,000	2,500,000	N/A	–	–	–
Actual amount	1,193,800	1,298,910	902,108	N/A	–	–	–
Utilisation rate	68.2%	61.9%	36.1%	N/A	–	–	–
Proposed Annual Caps	–	–	–	–	2,730,000	2,875,000	3,026,750

Note:

1. The Company entered into the Financial Services (2025) Framework Agreement on 19 November 2025, 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. For further details, please refer to the Company's announcement dated 19 November 2025.

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

Proposed Annual Caps for the deposit services

The proposed Annual Caps for the deposit services under the Financial Services (2026-2028) Framework Agreement were determined mainly with reference to: (i) the historical maximum daily deposit balance (including accrued interest) placed by the Group with Sinopharm Group Finance under the Financial Services (2023-2025) Framework Agreement; (ii) the cash and cash equivalents of the Group of approximately RMB4.3 billion as at 30 June 2025; and (iii) the potential demands of the deposit services of the Group for the three years ending 31 December 2028.

Proposed Purchase Caps

The Proposed Purchase Caps were determined mainly with reference to: (i) the historical volumes of the Materials purchased from the CNPGC Group; (ii) the expected increase in the use of the Materials to cater for the increasing demand of the Group's products and the growth in the Group's TCM finished drugs and TCM decoction pieces businesses; (iii) the extension of joint procurement activities to TCM decoction pieces, encompassing both industrial decoction pieces and medical decoction pieces; and (iv) the anticipated level of the Services provided by the CNPGC Group including engineering, exhibition, information support, leasing, R&D, and other services (e.g. training, legal consulting, etc.)

Proposed Sales Caps

The Proposed Sales Caps were determined mainly with reference to: (i) the historical sales of the Products by the Group to the CNPGC Group; (ii) the expected increase in the demand of the Group's Products; and (iii) the planned expansion of leasing services to the CNPGC Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The Financial Services (2026-2028) Framework Agreement

The Board considers that entering into the Financial Services (2026-2028) 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. The Financial Services (2026-2028) Framework Agreement is non-exclusive and does not limit the Group's choice in engaging any banks or financial institutions to satisfy its need for financial services. The entering of the Financial Services (2026-2028) Framework Agreement will simply avail the Group to one more service provider and encourage all financial services providers to offer more competitive terms to the Group.

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.

In addition, according to the Financial Services (2026-2028) 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, which enables the Group to a stable source of financial services.

The utilization of the deposit services can greatly facilitate deployment of surplus funds within the Group, which can have a material impact as the business of the Group develops and its cash resources increase. Specifically, the favourable interest rate available through Sinopharm Group Finance, in comparison to those offered by independent commercial banks or financial institutions for deposits, delivers further benefits to the Group.

The Master Purchase (2026-2028) Agreement and the Master Supply (2026-2028) Agreement

The Master Purchase (2026-2028) Agreement and the Master Supply (2026-2028) Agreement were entered into for the purpose of enabling the Group to continue the business relationship with the CNPGC Group in compliance with the Listing Rules as well as to capture the business opportunities that may be brought about by the CNPGC Group to the Group.

CNPGC is the only life- and health-oriented central enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council, with a full healthcare industry chain covering R&D, manufacturing, logistics and distribution, retail chains, healthcare, engineering services, etc.

Members of the CNPGC Group have been major suppliers of raw materials, pharmaceutical products and related healthcare products to the Group since 1998. They possess high-quality supply capabilities and stable procurement channels in Chinese medicinal materials, TCM decoction pieces and related services. Through the Master Purchase (2026-2028) Agreement, the Group can source a stable and quality supply of the Materials, benefit from economies of scale and joint procurement, reduce procurement costs, and enhance overall supply chain efficiency and resilience. In addition, by procuring engineering, exhibition, information system and other ancillary services from the CNPGC Group, the Group can obtain professional, integrated support for its production capacity expansion, information technology upgrade and marketing activities.

Also, leveraging the CNPGC Group's strong distribution capability and extensive nationwide sales network and customer base, the Master Supply (2026-2028) Agreement will enable the Group to further expand the market coverage of its Products, and to sell its products to more hospitals, medical institutions and retail pharmacies across the country and reach a wider range of end-customers. In addition, the Group also plans to further partner with CNPGC Group in leasing services over the next three years to better use the underutilised assets of the Group.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that the terms of the Agreements and the respective transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better, entered into in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

In order to safeguard the interests of the Company and the Shareholders, and to ensure that all continuing connected transactions are conducted on normal commercial terms and on terms no less favourable to the Group than those offered by independent third parties, in addition to the terms disclosed above, the Company has also adopted the following general internal control procedures and pricing policies:

General internal control procedures and pricing policies

(1) The strategic and operation management department of the Company would monitor the aggregate transaction amounts under the continuing connected transactions on a regular basis and prepare an annual report on the aggregate amounts of continuing connected transactions and the implementation of the regulations regarding continuing connected transactions and submit it to the management of the Company for review.

(2) The strategic and operation management department of the Company would establish an internal control system for continuing connected transactions together with relevant departments. Before conducting any transactions with connected persons, the strategic and operation management department of the Company would confirm that the Group still has sufficient unused annual caps for carrying out the relevant continuing connected transactions. The strategic and operation management department of the Company would review the continuing connected transactions carried out during the period under review on a regular basis to assess, and compile a report, on (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreement and the Group's pricing policy; and (ii) the aggregate amounts of transactions conducted during the relevant financial year and whether the relevant annual caps have been exceeded. If it is anticipated that the annual caps may be exceeded if the Group is to carry out the proposed transactions, it would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules including but not limited to revising the relevant annual caps before entering into the proposed transactions.

(3) Every time before conducting any continuing connected transactions, the relevant departments of the Company would first prepare the relevant individual agreement for the continuing connected transactions and submit it to the strategic and operation management department or relevant departments of the Company for review and approval. The strategic and operation management department or relevant departments of the Company would review the terms of the proposed transaction and the draft individual agreement to be entered into to make sure that the terms are in compliance with the pricing policy of the Group and the overall terms and conditions (including prices and payment terms) are no less favourable to the relevant member of the Group than those offered by independent third parties. The transactions could only be carried out after the strategic and operation management department or relevant departments of the Company have given their approval therefor.

(4) The Company's internal control unit will on a regular basis review the monitoring of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective, the findings of the review will be reported by the head of internal control unit to the management of the Company. The internal control unit regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and in compliance with the policies and procedures.

In addition to those disclosed above, the Company has also adopted the following internal control procedures and pricing policies specific to the continuing connected transactions contemplated under the relevant agreements:

The Financial Services (2026-2028) Framework Agreement

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 Financial Services (2026-2028) Framework Agreement set out in the paragraph headed "Subject" under "Principal terms of the Financial Services (2026-2028) Framework Agreement in relation to the deposit services" above.

The Master Purchase (2026-2028) Agreement

In accordance with the Group's procurement policy (applicable to purchases from the CNPGC Group and independent third parties), the purchase department shall obtain quotations from at least three suppliers which are in the approved suppliers list. In order to be qualified as an approved supplier, supplier will be evaluated by the purchase department on various aspects of the suppliers, including but not limited to production capacity, financial strengths, qualifications and quality assurance. To the best of the Directors' knowledge, information and belief, save for the CNPGC Group, all the suppliers in the approved suppliers list are independent of the Company and its connected persons. Quotations received shall then be assessed by the purchase department based on a number of factors, such as price, quality, payment terms, delivery terms and business relationship and the supplier with the best overall offer will be selected. After the purchase department approves the Purchases, the general manager of the relevant operating entity will review the terms of the Purchases to ensure that the Purchases are not made in less favourable terms to the Group than those offered by other suppliers.

The Master Supply (2026-2028) Agreement

For the sales of finished drugs to hospitals by way of tender, the Group will determine the tender price with reference to the price cap set by the provincial level tender offices. According to the pricing policy of the Group, the Group may offer discounts to the price cap taking into account the sales amount, payment terms, distance of delivery, business relationship with the customers and production costs. The general manager of the relevant operating entity will review the terms of the Sales to ensure that the discounts are offered in accordance with the Group's pricing policy.

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.

CNPGC

CNPGC is the only life- and health-oriented central enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council, with a whole healthcare industry chain covering R&D, manufacturing, logistics and distribution, retail chains, healthcare, engineering services, etc.

THE 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, CNPGC and Sinopharm Group Finance are connected persons of the Company. Therefore, the Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

The Company entered into the Financial Services (2026-2028) Framework Agreement with Sinopharm Group Finance, which covers deposit services, loan services and Other Financial Services. In respect of deposit services, as the highest applicable percentage ratios in respect of the proposed Annual Caps is higher than 5% and more than HK$10,000,000, the Financial Services (2026-2028) Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the 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 Financial Services (2026-2028) 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 Financial Services (2026-2028) 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 Financial Services (2026-2028) Framework Agreement will be fully exempt under Rule 14A.76(1) of the Listing Rules.

In respect of the Master Purchase (2026-2028) Agreement, as the highest applicable percentage ratios in respect of the Proposed Purchase Caps is higher than 5% and more than HK$10,000,000, the Master Purchase (2026-2028) Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Master Supply (2026-2028) Agreement, as the highest applicable percentage ratios in respect of the Proposed Sales Caps is higher than 25%, the Master Supply (2026-2028) Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the independent shareholders' approval 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 and the respective transactions contemplated thereunder. They have abstained from voting on the relevant resolutions to approve the Agreements and the respective transactions contemplated thereunder at the Board meeting. Save as disclosed above, none of the other Directors has a material interest in the Agreements and the respective transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the independent non-executive Directors has been established in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the terms and proposed annual caps of the Agreements and the respective transactions contemplated thereunder.

INDEPENDENT FINANCIAL ADVISER

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Agreements and the respective transactions contemplated thereunder (including the proposed Annual Caps).

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving the Agreements and the respective transactions contemplated thereunder. CNPGC and its associates, which are interested in 1,685,055,642 Shares as at the date of this announcement (representing approximately 33.46% of the total number of issued Shares), will abstain from voting on the relevant resolutions at the EGM.

A circular containing, among others, (i) details of the Agreements and the respective transactions contemplated thereunder; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Agreements and the respective transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the respective transactions contemplated thereunder; and (iv) a notice of the EGM, is expected to be sent to the Shareholders on or around 16 December 2025 in compliance with the Listing Rules.

DEFINITIONS

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

"Agreements"	together, the Financial Services (2026-2028) Framework Agreement, the Master Purchase (2026-2028) Agreement and the Master Supply (2026-2028) Agreement;
"Annual Caps"	the annual caps for the Financial Services under the Financial Services (2026-2028) Framework Agreement, the Proposed Purchase Caps and the Proposed Sales Cap;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"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 Master Purchase Agreement"	the existing master purchase agreement dated 11 November 2022 entered into between the Company and CNPGC in respect of the purchase of the Materials by the Group from the CNPGC Group;
"Existing Master Supply Agreement"	the existing master supply agreement dated 11 November 2022 entered into between the Company and CNPGC in respect of the sales of the Products by the Group to the CNPGC Group;
"EGM"	the extraordinary general meeting of the Company (or any adjournment thereof) to be held for the purpose of considering and, if thought fit, approving the Agreements and the respective transactions contemplated thereunder;
"Financial Services"	deposit services, loan and entrustment loan services and Other Financial Services provided by Sinopharm Group Finance to the Group;
"Financial Services (2023-2025) Framework 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 from 20 November 2022 to 19 November 2025;

"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;
"Financial Services (2026-2028) Framework Agreement"	the financial services framework agreement dated 25 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 for the three years ending 31 December 2028;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent board committee comprising the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Agreements and the respective transactions contemplated thereunder;
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreements and the respective transactions contemplated thereunder;
"Independent Shareholders"	the Shareholders other than CNPGC and its associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Materials"	the TCM and chemical materials purchased by the Group from the CNPGC Group;
"Master Purchase (2026-2028) Agreement"	the master purchase agreement dated 25 November 2025 entered into between the Company and CNPGC in respect of the Purchases for the three years ending 31 December 2028;

"Master Supply (2026-2028) Agreement"	the master supply agreement dated 25 November 2025 entered into between the Company and CNPGC in respect of the Sales for the three years ending 31 December 2028;
"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);
"Products"	various pharmaceutical products manufactured and supplied by the Group to the CNPGC Group;
"Proposed Purchase Caps"	the annual caps for the Purchases under the Master Purchase (2026-2028) Agreement;
"Proposed Sales Caps"	the annual caps for the Sales under the Master Supply (2026-2028) Agreement;
"Purchases"	the purchases of the Materials and the Services from the CNPGC Group;
"RMB"	Renminbi, the lawful currency of the PRC;
"Sales"	the sales of the Products and the provision of leasing services in respect of factory, warehouses and other premises to the CNPGC Group;
"Services"	various services procured by the Group from the CNPGC Group;
"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 Share(s);
"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;
"Sinopharm Hongkong"	Sinopharm Group Hongkong Co., Limited(國藥集團香港有限公司), a company incorporated in Hong Kong with limited liability and the controlling Shareholder;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"TCM"	traditional Chinese medicine; and
"%"	per cent.

* *For identification purpose only*

For the purpose of this announcement, conversion of RMB to HK$ is based on the exchange rate of RMB1.00 = HK$1.12. Such conversion is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.

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

Hong Kong, 25 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.