THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspects of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Resources Pharmaceutical Group Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

華潤醫藥集團有限公司
China Resources Pharmaceutical Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

CONTINUING CONNECTED TRANSACTIONS
SALES FRAMEWORK AGREEMENT 2026/2028
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

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

Ignite Capital

Unless the context otherwise requires, capitalized terms used on this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 37 of this circular.

A notice convening the EGM of the Company to be held at Room 201, No.7, Courtyard 2, Middle of North Third Ring Road, Chaoyang District, Beijing, PRC on Friday, 6 February 2026 at 10:00 a.m. is set out on pages 58 to 59 of this circular. Shareholders are advised to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM if you so wish.

Hong Kong, 20 January 2026

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In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

"Annual Caps"	the proposed annual cap for the years ending 31 December 2026, 2027 and 2028 for the transactions contemplated under the Sales Framework Agreement 2026/2028
"Articles of Association"	the articles of association of the Company currently effective as of the date of this circular
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Beijing Aerospace"	Beijing Aerospace Medical Co., Ltd. (北京航天醫療有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of CRC
"Board"	the board of Directors of the Company
"Buyer Group"	CR Healthcare and its associates, as well as entities which CR Healthcare has the authority to represent and control, including but not limited to Beijing Aerospace and/or its subsidiaries
"Company"	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 3320)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"CRC"	China Resources Company Limited (中國華潤有限公司), a company established in the PRC with limited liability and a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council in the PRC, and is the ultimate holding company of the Company and CR Healthcare, respectively
"CR Healthcare"	China Resources Healthcare Group Limited (華潤健康集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CR Holdings
"CR Holdings"	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company and is ultimately owned by CRC

"Director(s)"	the director(s) of the Company
"EGM"	the 2026 first extraordinary general meeting of the Company to be convened and held at Room 201, No.7, Courtyard 2, Middle of North Third Ring Road, Chaoyang District, Beijing, PRC on Friday, 6 February 2026 at 10:00 a.m., notice of which is set out on pages 58 to 59 to this circular
"Existing Sales Framework Agreement"	the sales framework agreement dated 30 December 2022 entered into between the Company and CR Healthcare, as amended and supplemented by the supplemental sales framework agreement dated 17 June 2024
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors, namely Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen, established to advise the Independent Shareholders in respect of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder
"Independent Financial Adviser" or "Ignite Capital"	Ignite Capital (Asia Pacific) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder
"Independent Shareholder(s)"	the Shareholder(s), other than CR Holdings and its associates and any other Shareholder who has a material interest in the transactions contemplated under the Sales Framework Agreement 2026/2028, as the case may be
"Latest Practicable Date"	15 January 2026, being the latest practicable date prior to the printing and publication of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"New Articles of Association"	the reinstated articles of association to be considered and approved by the Shareholders at the EGM
"PRC"	the People's Republic of China, for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Sales Framework Agreement 2026/2028"	the Sales Framework Agreement 2026/2028 dated 16 December 2025 entered into between the Company and CR Healthcare
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of the Company
"Shareholder(s)"	the holder(s) of Share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules

For ease of reference, the names of the PRC established companies or entities have been included in this circular in both the Chinese and English languages, and in the event of any inconsistency, the Chinese version shall prevail.

華潤醫藥集團有限公司
China Resources Pharmaceutical Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

Directors:
Chairman and executive Director
Mr. Bai Xiaosong

Executive Directors
Mr. Cheng Jie
Mr. Liu Changan

Non-executive Directors
Mdm. Guo Wei
Mr. Sun Yongqiang
Mr. Wang Yuhang
Mr. Guo Chuan
Mdm. Jiao Ruifang

Independent non-executive Directors
Mdm. Chiu Mun Wai
Mr. Fu Tingmei
Mr. Zhang Kejian
Mr. Shi Luwen

Registered Office:
41/F
China Resources Building
26 Harbour Road, Wanchai
Hong Kong

Hong Kong, 20 January 2026

To the Shareholders,

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTIONS
SALES FRAMEWORK AGREEMENT 2026/2028
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 16 December 2025 in relation to the Sales Framework Agreement 2026/2028; and (ii) the announcement of the Company dated 27 November 2025 in relation to the proposed amendments to the Articles of Association.

The purpose of this circular is to provide you with (i) further details of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder; (ii) the recommendations from the Independent Board Committee to the Independent Shareholders on the Sales Framework Agreement 2026/2028; (iii) the letter of advice from Ignite Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders on the Sales Framework Agreement 2026/2028; and (iv) further information on the proposed amendments to the Articles of Association.

PRINCIPAL TERMS OF THE SALES FRAMEWORK AGREEMENT 2026/2028

A. The Sales Framework Agreement 2026/2028

The principal terms of the Sales Framework Agreement 2026/2028 are set out as follows:

Date:	16 December 2025
Parties:	(a) CR Healthcare; and (b) The Company
Term:	From 1 January 2026 to 31 December 2028. Subject to compliance with the Listing Rules and other applicable laws and regulations, CR Healthcare and the Company may renew the term of the Sales Framework Agreement 2026/2028.
Scope:	Pursuant to the Sales Framework Agreement 2026/2028, the Group may from time to time supply medical and pharmaceutical products and consumables and medical devices, including but not limited to prescription medicines and over-the-counter (OTC) drugs to the Buyer Group and/or the hospitals that are managed by the Buyer Group.

Historical transaction amount:

Set out below are the approximate historical transaction amounts of the relevant sales by the Group to CR Healthcare and/or its associates and/or hospitals that are managed by CR Healthcare and/or its associates for the year ended 31 December 2024 and the nine months ended 30 September 2025:

	For the year ended 31 December 2024 *RMB (million)*	**For the nine months ended 30 September 2025** *RMB (million)*
Relevant sales to the Buyer Group and/or hospitals that are managed by the Buyer Group	1,290.6	1,102.8

Annual caps under the Existing Sales Framework Agreement	**For the year ended 31 December 2024** *RMB (million)*	**For the year ended 31 December 2025** *RMB (million)*
Sales of medical and pharmaceutical products and consumables	2,500	3,000
Utilisation rate	51.6%	36.8%

Annual Caps and Basis of Determination:

The proposed maximum annual amounts receivable by the Group from the Buyer Group and/or hospitals managed by the Buyer Group for the Group's sales of medical and pharmaceutical products and consumables during the term of the Sales Framework Agreement 2026/2028 for each of the years ending 31 December 2026, 2027 and 2028 are as follows:

	For the years ending 31 December		
	2026	**2027**	**2028**
	RMB (million)	*RMB (million)*	*RMB (million)*
Sales of medical and pharmaceutical products and consumables	1,850.00	1,900.00	2,000.00

The Annual Caps under the Sales Framework Agreement 2026/2028 are determined based on arm's length negotiations between CR Healthcare and the Company with reference to, among others, the following key factors:

(a) the historical transaction amount of the sales of medical and pharmaceutical products by the Group to CR Healthcare and/or its associates and/or the hospitals managed by CR Healthcare and/or its associates in the amount of RMB1,290.6 million for the year ended 31 December 2024 under the Existing Sales Framework Agreement, representing approximately 51.6% of the proposed annual cap for the year ended 31 December 2024 under the Existing Sales Framework Agreement;

(b) the historical transaction amounts of the sales of medical and pharmaceutical products by the Group to CR Healthcare and/or its associates and/or the hospitals managed by CR Healthcare and/or its associates in the amount of RMB1,102.8 million for the nine months ended 30 September 2025, based on the Company's unaudited management accounts, representing approximately 36.8% of the existing proposed annual cap for the year ended 31 December 2025 under the Existing Sales Framework Agreement;

(c) the expected expansion of the business scale of the Buyer Group and the hospital network managed by the Buyer Group, including that CR Healthcare has been entrusted to manage and control other entities owned by CRC which operate hospitals, including but not limited to Beijing Aerospace and/or its subsidiaries, such that the expected number of hospitals under the Buyer Group and corresponding demand for medical and pharmaceutical products from the Group is expected to increase. The number of hospitals managed by CR Healthcare and/or its associates as of 31 December 2024 was 105, and has further increased by 24 hospitals to 129 as of 30 September 2025, with the addition of Beijing Aerospace and/or its subsidiaries under management. Such expansion of business scale and hospital network are expected to attribute to the increased demand for medical and pharmaceutical products and consumables from the Group;

(d) the expected increase in the demand for the Group's medical and pharmaceutical products and consumables, taking into account the overall growing market demand for medical and pharmaceutical products and consumables in the PRC and the expected substantial growth in transaction volume between the Group and the Buyer Group and/or hospitals managed by the Buyer Group. With the deepening national pharmaceutical reform in the PRC and driven by factors such as the aging population, rise in healthcare awareness and popularization of general hospital services in the PRC, it is expected that the market demand for medical and pharmaceutical products and consumables in the PRC will continue to grow, which may create a greater demand for the Group's medical and pharmaceutical products and consumables required by CR Healthcare and its associates and the hospital network managed by the Buyer Group under the Sales Framework Agreement 2026/2028; and

(e) a buffer of approximately 10% for unforeseeable circumstances, such as unexpected increase in demand for products and unexpected increase in unit price of the products.

PRICING BASIS AND PRICING POLICIES

The price of the medical and pharmaceutical products, consumables and medical devices supplied under the Sales Framework Agreement 2026/2028 shall be determined in accordance with the applicable prescribed price or guided price of that product fixed by the relevant PRC regulators, if applicable. If there is no such prescribed price or guided price for the particular product, the price shall be determined based on the then prevailing market price and arm's length negotiation between the parties.

Pharmaceuticals

The prices of pharmaceuticals shall be determined with reference to the prices (the "**Guided Prices I**") as published by the sunshine procurement service platform (陽光採購平台) for the relevant location which is designated by the relevant local Healthcare Security Administration (醫療保障局). The Guided Prices I are generally determined through the tendering process of the sunshine procurement service platform system or the results of centralized bulk-buying negotiation (帶量集中採購談判). The determination of the Guided Prices I is ultimately regulated by the relevant local Healthcare Security Administration in various provinces and municipalities.

Medical consumables

The prices of medical consumables shall be determined with reference to the prices (the "**Guided Prices II**") as published by the sunshine procurement service platform for the relevant location (to the extent that such consumables have been included in the platform) which is designated by the relevant local Healthcare Security Administration in various provinces and municipalities. The Guided Prices II are generally determined through the tendering process of the sunshine procurement service platform system or the results of centralized bulk-buying negotiation. The determination of the Guided Prices II is ultimately regulated by the relevant local Healthcare Security Administration. As for the medical consumables which have not been included in the sunshine procurement service platform for the relevant location, there is no official guided price. Their procurement prices shall be determined after arm's length negotiation on normal commercial terms taking into account the prevailing market prices for the same type of medical consumables. The prevailing market price for such medical consumables is determined by following the Group's internal control measures to compare the selling prices of medical consumables that are offered to, or quoted by, independent customers (where available), and/or to the extent reasonably practicable, obtain market or industry data on the pricing of medical consumables sales transactions of similar nature, scope and scale from time to time through publicly available information on the public sources such as on the website of the National Medical Products Administration (where available). For details of the internal control measures, please see paragraph headed ''Internal Control Measures'' below.

Medical devices

There is no official guided price for medical devices. The prices of medical devices shall be determined after arm's length negotiation on normal commercial terms taking into account (i) the prevailing market prices for the same type of medical devices; and (ii) any cost-plus mark up margin for specific device supplied by the Group where customization is required and prevailing market price for such customized device is not available. There is no fixed range of mark up margin for the customized medical device as the type and level of customization may vary on a case-by-case basis. Where the Group charges a cost-plus mark up margin for any medical device, the Group will determine the mark up margin based on the type and level of customization and will follow its internal control measures to compare the margin offered or charged to independent customers (where available) to ensure the margin is on normal commercial terms within a comparable range or no less favourable to the Group. For details of the internal control measures, please see paragraph headed ''Internal Control Measures'' below.

In accordance with the relevant guiding opinions and implementation notices issued by the relevant PRC regulators in 2015, including the Notice on Republishing the Administrative Fee-Charging Items for Food and Drug Regulatory Department under the Central Government (Cai Shui [2015] No. 2) (《關於重新發佈中央管理的食品藥品監督管理部門行政事業性收費項目的通知》(財税[2015]2號)), the Notice on the Issuance of the Administrative Measures on Charging Rates for Drug and Medical Device Registration (Fa Gai Jia Ge [2015] No. 1006) (《關於印發〈藥品、醫療器械產品註冊收費標準管理辦法〉的通知》(發改價格[2015]1006號)), the Charging Rates for Drug and Medical Device Registration (《藥品、醫療器械產品註冊收費標準》), the Implementation Rules on Drug Registration Fees (Interim) (《藥品註冊收費實施細則(試行)》) and the Implementation Rules on the Medical Device Registration Fees (Interim) (《醫療器械產品註冊收費實施細則(試行)》), the procurement of pharmaceutical products by public hospitals and medical institutions in the PRC is subject to a centralized tendering process.

Accordingly, the Group's sale of medical and pharmaceutical products and consumables and medical devices to the Buyer Group and/or the hospitals managed by the Buyer Group is also subject to such centralized tendering system in the PRC and, the Group, similar to other independent third party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become their suppliers. The parties also negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group in the ordinary and usual course of business.

The centralized tendering process (i.e., the centralized bulk-buying negotiation) generally operates as follows:

(i) Public hospitals and medical institutions in different provinces and cities in the PRC will submit the types of medical and pharmaceutical products and consumables required in their ordinary course of business to the centralized procurement platform in the relevant province or region, where the suppliers will submit their bidding prices in respect of the relevant products and consumables;

(ii) The relevant local Healthcare Security Administration will then determine the selling price of a particular medical and pharmaceutical product or consumable in the relevant province or region by taking into consideration mainly the bidding prices and quality of the product or consumable offered by different suppliers, and from which supplier(s) the hospitals and medical institutions in that province or region may purchase the product or consumable at such selling price; and

(iii) Due to the nature and operation of the above-mentioned centralized tendering process, the selling price for the same type of product or consumable may vary across different provinces and regions.

The centralized tendering process, or centralized bulk-buying negotiation, is a procedure lead by the relevant local Healthcare Security Administration or industry organizations, the purpose of which is to determine the price of a particular medical and pharmaceutical product or consumable by leveraging bulk-buying such product in larger amounts. The relevant local Healthcare Security Administration also plays a supervisory role in the centralized tendering process, responsible for formulating and implementing relevant policies on the centralized tendering process, as well as regulating market order of medical and pharmaceutical product or consumable.

The sunshine procurement service platform system is an electronic tendering platform, the purpose of which is to provide open and transparent prices for pharmaceuticals and medical consumables, among other products and services. In respect of pharmaceuticals and medical consumables, the sunshine procurement service platform system is open to all suppliers for centralized pharmaceuticals procurement, and the tendering process is organized by the relevant local Healthcare Security Administration, through which the relevant local Healthcare Security Administration determines the prescribed price or guided price of pharmaceuticals and medical consumables. The bidding price or fee quotation for pharmaceuticals and medical consumables submitted through the centralized tendering process have to conform with the prescribed price or guided price as published on the sunshine procurement service platform for the relevant location by the relevant local Healthcare Security Administration. As all suppliers for centralized pharmaceuticals procurement have access to the sunshine procurement service platform system, and it is the source of the prescribed price or guided price of pharmaceuticals and medical consumables determined by the relevant local Healthcare Security Administration, the Company considers that the price quoted in such platform is representative in determining the prevailing market price.

After completion of the above-mentioned centralized tendering process and commercial negotiation, the Group will supply its medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group on the agreed terms and conditions upon receiving purchase orders specifying the brand, volume and types of products and consumables.

The Group shall comply with appropriate internal procedures before it enters into any transaction under the Sales Framework Agreement 2026/2028 with the Buyer Group and/or the hospitals managed by the Buyer Group. Further details of such internal policies are set out in the section headed "Internal Control Measures" in this letter.

INTERNAL CONTROL MEASURES

The Group, similar to other independent third-party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become a supplier of the Buyer Group and/or hospitals managed by the Buyer Group.

As part of the Group's internal approval and monitoring procedures relating to transactions with the Buyer Group and/or hospitals managed by the Buyer Group, designated personnel from the operations department of the Group will (i) compare the terms (including the selling prices) of its products and commodities that are offered to, or quoted by, other at least two independent customers (where available), or compare the margin or range of margin offered or charged to independent customers (where available) of its products and commodities, and/or to the extent reasonably practicable, obtain market or industry data on the pricing of transactions of similar nature, scope and scale from time to time through publicly available information on the public sources such as on the website of the National Medical Products Administration (where available) in order to ensure that the transactions entered into with the Buyer Group and/or hospitals managed by the Buyer Group under the Sales Framework Agreement 2026/2028 are on normal commercial terms or no less favourable to the Group than those offered to independent third parties; and (ii) negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group in their ordinary and usual course of business on an arm's length basis. When the Group decides to enter into transactions contemplated under the Sales Framework Agreement 2026/2028 upon the aforementioned procedures and commercial negotiation, the operations department of the Group will submit the details of the transactions for internal review and approval by the sales department, quality control department, finance department and/or legal department of the Group as appropriate.

The Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department for monitoring the annual caps of the relevant transactions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES FRAMEWORK AGREEMENT 2026/2028

The Group has continued to grow its business scale and market position in respect of its supply of medical and pharmaceutical products and consumables. During the year ended 31 December 2024, both of the Group's pharmaceutical manufacturing segment and pharmaceutical distribution segment showed steady year-on-year growth of approximately 6.6% and 5.5%, respectively, in terms of segment revenue. On the other hand, the scale of business of the Buyer Group and the hospital network managed by the Buyer Group have continued to expand. The number of hospitals managed by the Buyer Group increased from 105 as of 31 December 2024 to 129 as of 30 September 2025, with the addition of Beijing Aerospace and/or its subsidiaries under management, representing a growing demand for medical and pharmaceutical products and consumables required by the hospital network managed by the Buyer Group. In addition, multiple governmental policies favourable to the pharmaceutical and healthcare industry have been promulgated in recent years, including, without limitation, the Work Plan for Supporting High-Quality Development of Medical Institutions Operated by State-Owned Enterprises (《支持國有企業舉辦醫療機構高質量發展工作方案》), the Opinions on Further Improving the Medical and Healthcare Service System (《關於進一步完善醫療衛生服務體系的意見》), and the Fourteenth Five-Year Plan for Universal Medical Security (《「十四五」全民醫療保障規劃》). Such policies promote the high quality development of hospitals and medical institutions and stimulate the expansion and growth potentials of nationwide hospital and healthcare service providers, including the Buyer Group. Coupled with other market drivers, such as the aging population in the PRC, increasing prevalence of chronic diseases, optimization of service quality, and development of medical insurance programs, the demand for medical and pharmaceutical products and consumables has continued to grow. In view of the above, the parties entered into the Sales Framework Agreement 2026/2028 in order to meet the business needs of the parties, and ensure steady sale of medical and pharmaceutical products and consumables from the Group to the Buyer Group and to maintain the parties' stable business relationship. It is also expected that, with the expected transaction volume under the Sales Framework Agreement 2026/2028, the Group will be able to generate stable income stream and to further grow its pharmaceutical distribution business.

The Buyer Group are engaged in hospital investment and operation management. It is necessary for the Buyer Group and the hospitals managed by the Buyer Group to procure suitable medical and pharmaceutical products and consumables in their ordinary and usual course of business.

Taking into account the above factors, the Board (excluding the independent non-executive Directors whose views are contained in the section headed "Letter from the Independent Board Committee" in this circular) considered that the Sales Framework Agreement 2026/2028 was negotiated on an arm's length basis and entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the relevant terms and the Annual Caps thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As at the Latest Practicable Date, CR Holdings, being a controlling shareholder of the Company indirectly holding approximately 53.40% interest in the Company, held 100% interest in CR Healthcare. CR Holdings is ultimately owned by CRC. Beijing Aerospace is a non-wholly owned subsidiary of CRC. Accordingly, each of CR Healthcare and Beijing Aerospace is a connected person of the Company and the transactions contemplated under the Sales Framework Agreement 2026/2028 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Sales Framework Agreement 2026/2028 exceeds 5%, the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, and none of the Directors has abstained from voting on the relevant Board resolutions approving the Sales Framework Agreement 2026/2028.

Pursuant to Rule 14A.36 of the Listing Rules, any shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution. As at the Latest Practicable Date, CR Healthcare is a wholly-owned subsidiary of CR Holdings. As at the Latest Practicable Date, CRH (Pharmaceutical) Limited and Commotra Company Limited, which are wholly-owned subsidiaries of CR Holdings and are directly interested in 3,354,786,612 Shares, representing approximately 53.40% of the issued share capital of the Company, are required to and will abstain from voting on the proposed ordinary resolution approving the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder. As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief having made all reasonable enquiries, save for CR Holdings and its associates, none of the other Shareholders who had a material interest in the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder would be required to abstain from voting on the relevant ordinary resolution at the EGM.

INFORMATION OF THE PARTIES

CR Healthcare

CR Healthcare is principally engaged in hospital investment and operation management. As at the Latest Practicable Date, CR Healthcare is a wholly-owned subsidiary of CR Holdings. CR Holdings is principally engaged in investment holding.

The Group

The Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders on whether the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned. A letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. Having considered the terms of the Sales Framework Agreement 2026/2028 and the advice of the Independent Financial Adviser, the Independent Board Committee considers that the entering of the Sales Framework Agreement 2026/2028 is in the ordinary and usual course of business of the Group, and the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Independent Shareholders as a whole.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has appointed Ignite Capital as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned. A letter from the Independent Financial Adviser is set out on pages 19 to 37 of this circular. The Independent Financial Adviser is of the view that the entering of the Sales Framework Agreement 2026/2028 is in the ordinary and usual course of business of the Group, and the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Independent Shareholders as a whole.

ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 27 November 2025 in relation to the proposed amendments to the Articles of Association. On 27 November 2025, the Board proposed to amend the existing Articles of Association and adopt the New Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.

The Board has considered to amend the Articles of Association in order to, among others, (i) align with the latest legal and regulatory requirements in relation to treasury shares and communication with shareholders by way of website, following the relevant amendments to the Listing Rules and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and (ii) make consequential and other housekeeping amendments to the Articles of Association.

Please refer to Appendix II to this circular for further particulars relating to the proposed changes to the Articles of Association brought about by the adoption of the New Articles of Association.

The legal advisers of the Company as to Hong Kong law have confirmed to the Company that the New Articles of Association conform with the relevant parts of Appendix A1 to the Listing Rules and, on the whole, are not inconsistent with the Listing Rules and the laws of Hong Kong.

The proposed adoption of the New Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the EGM.

EGM

The EGM will be convened and held at Room 201, No.7, Courtyard 2, Middle of North Third Ring Road, Chaoyang District, Beijing, PRC on Friday, 6 February 2026 at 10:00 a.m., for the purpose of considering and, if thought fit, passing the relevant resolution to approve the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder. In addition, a special resolution will be proposed to the Shareholders in respect of the proposal for adoption of the New Articles of Association. Set out on pages 58 to 59 of this circular is the notice convening the EGM.

A proxy form for use at the EGM is enclosed with this circular. Shareholders are advised to read the notice contained herein and to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM shall be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 3 February 2026 to Friday, 6 February 2026 both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Friday, 6 February 2026 (record date) are entitled to attend and vote at the EGM. In order to determine the identity of members who are entitled to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 February 2026 for registration.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular, after considering the advice from Ignite Capital for the continuing connected transactions contemplated under the Sales Framework Agreement 2026/2028) consider that the proposed resolutions for consideration and approval by the Shareholders at the EGM are in the interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend (i) the Independent Shareholders to vote in favour of the resolution to approve the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder to be proposed at the EGM; and (ii) all Shareholders to vote in favour of the resolution to approve the adoption of the New Articles of Association to be proposed at the EGM, as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee on pages 17 to 18 of this circular, the letter of advice from the Independent Financial Adviser on pages 19 to 37 of this circular, and the additional information in the Appendix I to this circular.

By order of the Board
China Resources Pharmaceutical Group Limited
Mr. Bai Xiaosong
Chairman

The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

華潤醫藥集團有限公司
China Resources Pharmaceutical Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

20 January 2026

To the Independent Shareholders

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTIONS
SALES FRAMEWORK AGREEMENT 2026/2028

We refer to the circular of the Company dated 20 January 2026 (the "**Circular**"), in which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Ignite Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Sales Framework Agreement 2026/2028 as set out on pages 19 to 37 of the Circular, and the letter from the Board as set out on pages 4 to 16 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the entering of the Sales Framework Agreement 2026/2028 is in the ordinary and usual course of business of the Group, and the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder to be proposed at the EGM.

Yours faithfully,
For and behalf of
Independent Board Committee
Mdm. Chiu Mun Wai **Mr. Fu Tingmei** **Mr. Zhang Kejian** **Mr. Shi Luwen**

Set Out below is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sales Framework Agreement 2026/2028 and the transactions contemplated thereunder (including the Annual Caps), which has been prepared for the purpose of inclusion in this circular.

Ignite Capital

IGNITE CAPITAL (ASIA PACIFIC) LIMITED
Unit A, 15th Floor, CMA Building
64–65 Connaught Road Central
Central, Hong Kong

20 January 2026

To: The Independent Board Committee and the Independent Shareholders of China Resources Pharmaceutical Group Limited

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTIONS
SALES FRAMEWORK AGREEMENT 2026/2028

INTRODUCTION

We refer to our appointment by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed annual caps for the years ending 31 December 2026, 2027 and 2028 for the transactions contemplated under the Sales Framework Agreement 2026/2028 (the "**Continuing Connected Transactions**"), the details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 20 January 2026 (the "**Circular**"), of which this letter (the "**Letter**") forms part. Capitalised terms used in this Letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 16 December 2025 in relation to the Sales Framework Agreement 2026/2028. On 16 December 2025, the Company and CR Healthcare entered into the Sales Framework Agreement 2026/2028, pursuant to which the parties agreed on the proposed annual caps for the transactions for the years ending 31 December 2026, 2027 and 2028.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CR Holdings, being a controlling shareholder of the Company indirectly holding 53.40% interest in the Company, held 100% interest in CR Healthcare. CR Holdings is ultimately owned by CRC. Beijing Aerospace is a non-wholly owned subsidiary of CRC. Accordingly, each of CR Healthcare and Beijing Aerospace is a connected person of the Company and the transactions contemplated under the Sales Framework Agreement 2026/2028 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Sales Framework Agreement 2026/2028 exceeds 5%, the Sales Framework Agreement 2026/2028 and the transaction and the Annual Caps contemplated thereunder are subject to reporting, announcement, annual review, and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, and none of the Directors has abstained from voting on the relevant Board resolution approving the Sales Framework Agreement 2026/2028.

Pursuant to Rule 14A.36 of the Listing Rules, any shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution. As at the Latest Practicable Date, CR Healthcare is a wholly-owned subsidiary of CR Holdings. As at the Latest Practicable Date, CRH (Pharmaceutical) Limited and Commotra Company Limited, which are wholly-owned subsidiaries of CR Holdings and are directly interested in 3,354,786,612 Shares, representing approximately 53.40% of the issued share capital of the Company, are required to and will abstain from voting on the proposed ordinary resolution approving the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder. As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief having made all reasonable enquiries, save for CR Holdings and its associates, none of the other Shareholder who had a material interest in the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder would be required to abstain from voting on the relevant ordinary resolution at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen, has been established by the Company to advise the Independent Shareholders as to:

(a) whether the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole;

(b) whether the entering of the Sales Framework Agreement 2026/2028 is in the ordinary and usual course of business of the Group;

(c) whether the terms of the Sales Framework Agreement 2026/2028 (including the Annual Caps) are on normal commercial terms; and

(d) how the Independent Shareholders should vote in respect to the relevant resolution to be proposed at the EGM to approve the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

We, Ignite Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 13.84 of the Listing Rules.

None of the members of the Independent Board Committee has any interest or involvement in the Sales Framework Agreement 2026/2028 and the transactions and Annual Caps contemplated thereunder. Having obtained and considered the advice from the Independent Financial Adviser, the view and recommendation of the Independent Board Committee in respect of the Continuing Connected Transactions are set out in the Letter from the Independent Board Committee in this Circular.

INDEPENDENCE OF IGNITE CAPITAL

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, Beijing Aerospace, CR Healthcare, CR Holdings, CRC, or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this Letter, we have not acted in the capacity as an independent financial adviser, financial adviser or in any other capacity to the Company. Apart from normal independent financial advisory fee paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, CR Healthcare, Beijing Aerospace, CR Holdings, CRC or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider ourselves independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the truth, accuracy and completeness of the statements, information, facts, representations and opinions contained or referred to in this Circular, provided and made to us by the Directors and the management of the Group (collectively, the "**Management**"), the Company, and its advisers. We have reviewed, amongst other things:

(i) the Sales Framework Agreement 2026/2028;

(ii) the Company's annual report for the financial year ended 31 December ("**FY**") 2023 (the "**2023 Annual Report**");

(iii) the Company's annual report for FY2024 (the "**2024 Annual Report**");

(iv) the Company's interim report for the six months ended 30 June ("**HY**") 2025 (the "**2025 Interim Report**"); and

(v) other information, representations and opinions as contained or referred to in this Circular.

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Circular or this Circular misleading. We have also sought and received confirmation from the Directors that no material information or facts have been omitted from the information and facts provided to us and the representations made and opinions expressed by them are not misleading or deceptive in any material respect. We have no reason to suspect that any material information or facts have been omitted or withheld nor to doubt the truth, accuracy or completeness of the information and facts contained in this Circular or provided to us, or the reasonableness of the opinions expressed by the Management, the Company, and its advisers, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for us to formulate our advice as set out in this Letter. We have assumed that all statements, information, facts, representations and opinions contained or referred to in this Circular and/or those provided to us by the Management, the Company and its advisers, for which they are solely and wholly responsible, have been reasonably made after due enquiries and careful consideration and are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so in all material respect up to the date of the EGM.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this Letter.

We consider that we have taken all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have not, however, carried out any independent verification of the information provided to us by the Management, nor have we conducted any independent investigation into the businesses, affairs, operations, financial position or future prospects of the Group, CRC, Beijing Aerospace, CR Holdings, CR Healthcare and each of their respective subsidiaries or associates.

Our advice is necessarily based on the prevailing financial, economic, market and other conditions and the information made available to us as at the Latest Practicable Date. Where information in this Letter has been extracted from published or otherwise publicly available sources, the sole responsibility of ours is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not used out of context.

This Letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the matters relating to the terms of the Sales Framework Agreement 2026/2028 and the transactions contemplated thereunder (including the Annual Caps). Except for its inclusion in this Circular, this Letter is not to be quoted or referred to, in whole or in part, nor shall this Letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion and recommendations in respect of the Continuing Connected Transactions to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Background information of the parties

CR Healthcare

With reference to the Letter from the Board, CR Healthcare is principally engaged in hospital investment and operation management. As at the Latest Practicable Date, CR Healthcare is a wholly-owned subsidiary of CR Holdings. CR Holdings is principally engaged in investment holding.

The Group

With reference to the Letter from the Board, the Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

With reference to the 2025 Interim Report, the Group manufactures 944 products, 555 of which were included in the PRC's national reimbursement drug list. The products comprise chemical drugs, Chinese medicines and biological drugs as well as nutritional and healthcare products, covering a wide range of therapeutic areas including cardiovascular, alimentary tract and metabolism, large-volume intravenous infusion, pediatrics, respiratory system, dermatology, etc.

The following is a summary of the financial results of the Group for FY2024 (with comparative figures in FY2023); and HY2025 (with comparative figures in HY2024), as extracted from the 2025 Interim Report and the 2024 Annual Report:

Table: Highlights of the financial results of the Group

	Audited		**Unaudited**	
	FY2023 *(RMB'000)*	**FY2024** *(RMB'000)*	**HY2024** *(RMB'000)*	**HY2025** *(RMB'000)*
Revenue	244,703,884	257,673,256	128,597,588	131,866,817
Cost of sales	(206,366,398)	(216,984,387)	(107,664,092)	(110,357,203)
Gross profit	38,337,486	40,688,869	20,933,496	21,509,614
Profit for the year/period attributable to the owners of the Company	3,854,247	3,350,857	2,604,806	2,077,282

Source: the 2025 Interim Report and the 2024 Annual Report

HY2025 vs HY2024

The Group recorded total revenue of approximately RMB131.9 billion for HY2025, representing an increase of approximately 2.6% as compared to approximately RMB128.6 billion for HY2024. In HY2025, the revenue of the Group's three major business segments, namely pharmaceutical manufacturing, pharmaceutical distribution, and pharmaceutical retail businesses, accounted for approximately 16.6%, 79.2% and 4.2% of the Group's total revenue, respectively. During HY2025, the Group's pharmaceutical manufacturing business generated segment revenue of approximately RMB24.8 billion, representing an increase of approximately 4.3% compared with that of HY2024. All business segments, including TCM, biopharmaceutical drugs, nutraceuticals and others, recorded an increase in revenue.

During HY2025, the Group recorded a gross profit of approximately RMB21.5 billion, representing an increase of approximately 2.9% from approximately RMB20.9 billion for HY2024. The overall gross profit margin was approximately 16.3% in HY2025, which approximates to that in HY2024.

In HY2025, the Group recorded a profit attributable to owners of the Company of approximately RMB2.1 billion, representing a decrease of approximately 19.2% from approximately RMB2.6 billion for HY2024. Excluding the effect of one-off items such as the impairment of associates, during HY2025, the profit attributable to the owners of the Company recorded a slight year-on-year decrease of 4.7%.

FY2024 vs FY2023

The Group recorded total revenue of approximately RMB257.7 billion for FY2024, representing an increase of approximately 5.3% as compared to approximately RMB244.7 billion for FY2023. In FY2024, the revenue of the Group's pharmaceutical manufacturing, pharmaceutical distribution, and pharmaceutical retail businesses, accounted for approximately 16.1%, 80.0% and 3.9% of the Group's total revenue, respectively. During FY2024, the Group's pharmaceutical manufacturing business generated segment revenue of RMB46.3 billion, representing an increase of 6.6% compared with that of 2023. All business segments, including TCM, chemical drugs, and biological drugs, recorded a general increase in revenue.

During FY2024, the Group recorded a gross profit of approximately RMB40.7 billion, representing an increase of approximately 6.3% from approximately RMB38.3 billion in FY2023. The overall gross profit margin was approximately 15.8% in FY2024, which marked an increase of approximately 0.1 percentage points compared to that of approximately 15.7% in FY2023. This was primarily due to the increase in the gross profit margin of the pharmaceutical manufacturing business during FY2024.

In FY2024, the Group recorded a profit attributable to owners of the Company of approximately RMB3.4 billion, representing a decrease of approximately 12.8% from approximately RMB3.9 billion for FY2023. Excluding the effect of one-off items, impairment of associates, the profit attributable to the owners of the Company recorded a year-on-year growth of 0.5%.

Table: Highlights of the financial positions of the Group

	Audited		**Unaudited**
	As at 31 December 2023 *(RMB'000)*	**As at 31 December 2024** *(RMB'000)*	**As at 30 June 2025** *(RMB'000)*
Total assets	246,770,296	257,760,320	286,849,439
— Non-current assets	*68,202,466*	*71,914,741*	*83,780,532*
— Current assets	*178,567,830*	*185,845,579*	*203,068,907*
Total liabilities	153,795,482	159,673,042	174,814,605
— Non-current liabilities	*19,562,727*	*27,451,118*	*30,488,663*
— Current liabilities	*134,232,755*	*132,221,924*	*144,325,942*
Equity attributable to owners of the Company	45,959,605	48,244,236	49,967,783

Source: the 2025 Interim Report and the 2024 Annual Report

HY2025 vs FY2024

As at 30 June 2025, the total assets and liabilities of the Group were approximately RMB286.8 billion and RMB174.8 billion respectively, as compared to the respective total assets and liabilities of approximately RMB257.8 billion and RMB159.7 billion as at 31 December 2024 respectively, registering an increase of approximately 11.2% and 9.5% respectively. The increase in the Group's total assets was primarily due to combined effect of (i) increase in property, plant and equipment caused by the acquisition of 28% equity interest in Tasly Pharmaceutical Group Co., Ltd. by China Resources Sanjiu Medical & Pharmaceutical Company Limited, a subsidiary of the Company and became its controlling shareholder in March 2025; and (ii) increase in trade and other receivables caused by sales growth and impact of the pace of sales collection. The increase in the Group's total liabilities was mainly attributable to increase in current borrowings and non-current bonds payable caused by increased financing demand to meet working capital and capital expenditure requirements for acquisitions. Given the movement of the Group's total assets and total liabilities highlighted above, the Group's equity attributable to owners of the Company increased from approximately RMB48.2 billion as at 31 December 2024 to approximately RMB50.0 billion as at 30 June 2025, representing a slight increase of approximately 3.7%.

FY2024 vs FY2023

As at 31 December 2024, the total assets and liabilities of the Group were approximately RMB257.8 billion and RMB159.7 billion respectively, as compared to the respective total assets and liabilities of approximately RMB246.8 billion and RMB153.8 billion as at 31 December 2023 respectively, registering an increase of approximately 4.5% and 3.8% respectively. As advised by the Management, the increase in the Group's total assets was primarily due to (i) increase in trade and other receivables caused by increased sales and longer customer payment terms; and (ii) increase in inventories caused by meeting the demand for increased sales and stockpiling seasonal demand in advance. The increase in the Group's total liabilities was mainly attributable to the increase in bank borrowings caused by increased financing demand to meet working capital and capital expenditure requirements for acquisitions. Given the movement of the Group's total assets and total liabilities highlighted above, the Group's equity attributable to owners of the Company increased from approximately RMB46.0 billion as at 31 December 2023 to approximately RMB48.2 billion as at 31 December 2024, representing a slight increase of approximately 4.8%.

2. Reasons for and benefits of the transactions contemplated under the Sales Framework Agreement 2026/2028

As stated in the Letter from the Board, multiple governmental policies favourable to the pharmaceutical and healthcare industry have been promulgated in recent years, including, without limitation, the Work Plan for Supporting High-Quality Development of Medical Institutions Operated by State-Owned Enterprises* (《支持國有企業舉辦醫療機構高質量發展工作方案》), the Opinions on Further Improving the Medical and Healthcare Service System* (《關於進一步完善醫療衛生服務體系的意見》), and the Fourteenth Five-Year Plan for Universal Medical Security* (《「十四五」全民醫療保障規劃》). Such policies promote the high quality development of hospitals and medical institutions and stimulate the expansion and growth potentials of nationwide hospital and healthcare service providers, including the Buyer Group. As stated in the 2025 Interim Report, in the long run, driven by favorable factors such as the increasing rigid demand brought by population aging, the comprehensive advancement of the "Healthy China" initiative, and the continuous improvement of innovation capabilities, PRC's pharmaceutical industry boasts strong resilience, sufficient vitality and broad market space.

The Company and CR Healthcare have maintained long-standing and stable cooperation relationship. Since the terms of Existing Sales Framework Agreement shall expire on 31 December 2025 and the Company expects such transactions will continue thereafter, the Sales Framework Agreement 2026/2028 was entered into for the purpose of enabling the Group to continue to supply medical and pharmaceutical products and consumables and medical devices to the Buyer Group, which bring a stable source of income to the Group and to continue to expand its pharmaceutical distribution network. The Company considered that the entering into of the Sales Framework Agreement 2026/2028 is in the mutual interests of the Group and CR Healthcare to continue with this long-standing business relationship. In view of the above, the Company considered that the entering into of the Sales Framework Agreement 2026/2028 would enable them to meet the business needs of the parties, and ensure steady sale of medical and pharmaceutical products and consumables from the Group to the Buyer Group and to maintain the parties stable business relationship. It is also expected that, with the expected transaction volume under the Sales Framework Agreement 2026/2028, the Group will be able to generate stable income stream and to further grow its pharmaceutical distribution business.

Having considered the recent macroeconomic of the pharmaceutical and healthcare industry, the support of the PRC government policies and the expected increase in sales of medical products, we concur with the Company that there is commercial rationale for the Group to continue the Sales of Medical Products to the Buyer Group by entering into of the Sales Framework Agreement 2026/2028 which is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Sales Framework Agreement 2026/2028

With reference to the Letter from the Board, the principal terms of the Sales Framework Agreement 2026/2028 are as follow:

Date:	16 December 2025
Parties:	(a) CR Healthcare; and (b) the Company
Term:	From 1 January 2026 to 31 December 2028. Subject to compliance with the Listing Rules and other applicable laws and regulations, CR Healthcare and the Company may renew the term of the Sales Framework Agreement 2026/2028.

Scope

The Group may from time to time supply medical and pharmaceutical products and consumables and medical devices, including but not limited to prescription medicines and over-the-counter (OTC) drugs to the Buyer Group and/or the hospitals that are managed by the Buyer Group (the "**Sales of Medical Products to the Buyer Group**").

Pricing Basis and Pricing Policies

With reference to the Letter from the Board, the price of the medical and pharmaceutical products, consumables and medical devices supplied under the Sales Framework Agreement 2026/2028 shall be determined in accordance with the applicable prescribed price or guided price of that product fixed by the relevant PRC regulators, if applicable. If there is no such prescribed price or guided price for the particular product, the price shall be determined based on the then prevailing market price and arm's length negotiation between the parties.

Pharmaceuticals

The prices of pharmaceuticals shall be determined with reference to the Guided Prices I as published by the sunshine procurement service platform (陽光採購平台) for the relevant location which is designated by the relevant local Healthcare Security Administration (醫療保障局). The Guided Prices I are generally determined through the tendering process of the sunshine procurement service platform system or the results of centralised bulk-buying negotiation (帶量集中採購談判). The determination of the Guided Prices I is ultimately regulated by the relevant local Healthcare Security Administration in various provinces and municipalities.

Medical consumables

The prices of medical consumables shall be determined with reference to the Guided Prices II as published by the sunshine procurement service platform for the relevant location (to the extent that such consumables have been included in the platform) which is designated by the relevant local Healthcare Security Administration in various provinces and municipalities. The Guided Prices II are generally determined through the tendering process of the sunshine procurement service platform system or the results of centralised bulk-buying negotiation. The determination of the Guided Prices II is ultimately regulated by the relevant local Healthcare Security Administration. As for the medical consumables which have not been included in the sunshine procurement service platform for the relevant location, there is no official guided price. Their procurement prices shall be determined after arm's length negotiation on normal commercial terms taking into account the prevailing market prices for the same type of medical consumables. The prevailing market price for such medical consumables is determined by following the Group's internal control measures to compare the selling prices of medical consumables that are offered to, or quoted by, independent customers (where available), and/or to the extent reasonably practicable, obtain market or industry data on the pricing of medical consumables sales transactions of similar nature, scope and scale from time to time through publicly available information on the public sources such as on the website of the National Medical Products Administration (where available).

Medical devices

There is no official guided price for medical devices. The prices of medical devices shall be determined after arm's length negotiation on normal commercial terms taking into account (i) the prevailing market prices for the same type of medical devices; and (ii) any cost-plus mark up margin for specific device supplied by the Group where customization is required and prevailing market price for such customized device is not available. There is no fixed range of mark up margin for the customized medical device as the type and level of customization may vary on a case-by-case basis. Where the Group charges a cost-plus mark up margin for any medical device, the Group will determine the mark up margin based on the type and level of customization and will follow its internal control measures to compare the margin offered or charged to independent customers (where available) to ensure the margin is on normal commercial terms within a comparable range or no less favourable to the Group. For details of the internal control measures, please see paragraph headed "Internal Control Measures" below in this Letter.

In accordance with the relevant guiding opinions and implementation notices issued by the relevant PRC regulators in 2015, including the Notice on Republishing the Administrative Fee-Charging Items for Food and Drug Regulatory Department under the Central Government (Cai Shui [2015] No. 2)* (《關於重新發佈中央管理的食品藥品監督管理部門行政事業性收費項目的通知》(財稅〔2015〕2號)), the Notice on the Issuance of the Administrative Measures on Charging Rates for Drug and Medical Device Registration (Fa Gai Jia Ge [2015] No. 1006)* (《關於印發〈藥品、醫療器械產品註冊收費標準管理辦法〉的通知》(發改價格〔2015〕1006號)), the Charging Rates for Drug and Medical Device Registration* (《藥品、醫療器械產品註冊收費標準》), the

Implementation Rules on Drug Registration Fees (Interim)* (《藥品註冊收費實施細則(試行)》) and the Implementation Rules on the Medical Device Registration Fees (Interim)* (《醫療器械產品註冊收費實施細則(試行)》), the procurement of pharmaceutical products by public hospitals and medical institutions in the PRC is subject to a centralised tendering process.

Accordingly, the Sales of Medical Products to the Buyer Group is also subject to such centralised tendering system in the PRC and, the Group, similar to other independent third party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become their suppliers. The parties also negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group in the ordinary and usual course of business.

The centralised tendering process (i.e., the centralized bulk-buying negotiation) generally operates as follows:

(i) Public hospitals and medical institutions in different provinces and cities in the PRC will submit the types of medical and pharmaceutical products and consumables required in their ordinary course of business to the centralised procurement platform in the relevant province or region, where the suppliers will submit their bidding prices in respect of the relevant products and consumables;

(ii) The relevant local Healthcare Security Administration will then determine the selling price of a particular medical and pharmaceutical product or consumable in the relevant province or region by taking into consideration mainly the bidding prices and quality of the product or consumable offered by different suppliers, and from which supplier(s) the hospitals and medical institutions in that province or region may purchase the product or consumable at such selling price; and

(iii) Due to the nature and operation of the above-mentioned centralised tendering process, the selling price for the same type of product or consumable may vary across different provinces and regions.

For further details of the centralised tendering process, please refer to the sub-section headed "PRICING BASIS AND PRICING POLICIES" in the Circular.

After completion of the above-mentioned centralised tendering process and commercial negotiation, the Group will supply its medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group on the agreed terms and conditions upon receiving purchase orders specifying the brand, volume and types of products and consumables. The Group shall comply with appropriate internal procedures before it enters into any transaction under the Sales Framework Agreement 2026/2028 with the Buyer Group and/or the hospitals managed by the Buyer Group.

For our due diligence purpose, we have obtained and reviewed, by way of random sampling, the transaction documents in respect of the relevant historical transactions for the Sales of Medical Products to the Buyer Group (the "**Sample Transaction(s)**") since 1 January 2025 and up to the Latest Practicable Date (the "**Relevant Period**"). We have reviewed (i) two (2) sets of transaction documents for the sales of pharmaceuticals to each of members of the Buyer Group and independent third parties which the prices were determined with reference to the guided prices as published by the sunshine procurement service platform; (ii) two (2) sets of transaction documents for the sales of medical consumables to each of members of the Buyer Group and independent third parties which the prices were determined with reference to the guided prices as published by the sunshine procurement service platform; (iii) two (2) sets of transaction documents for the sales of pharmaceuticals to each of members of the Buyer Group and independent third parties which the products had not been included in the sunshine procurement service platform; and (iv) two (2) sets of transaction documents for the sales of medical devices to each of members of the Buyer Group and independent third parties.

Based on our review on the Sample Transactions, we noted that (i) the sales of items (except medical devices) are comparable products; (ii) the selling prices of the relevant medical and pharmaceutical products and consumables were no less favourable to the Group than those offered by the Group to independent customers. For the sales of products which the basis of determining the price was primarily made with reference to the guided price, we noted that such price could be extracted from the centralised procurement system. Therefore, we checked from the relevant Sample Transactions that the selling price of a particular product offered to each of the Buyer Group and independent customer is consistent with the guided price listed in the centralised procurement system. On the other hand, for the medical consumables which had no guided price from the centralised procurement system, we noted from the relevant Sample Transactions that the selling prices of these products were no less favourable to the Group than those offered to independent customers, which represents the then prevailing market price according to the Group's internal control measures; (iii) there is no official guided price for medical devices. We are advised by the Management that the medical devices for the members of Buyer Group and the independent customers were customized on a case-by-case basis and no prevailing market price is available. The Company therefore charged a cost-plus markup margin for these medical devices that the Group made reference to the cost of procurement plus a profit margin agreed between the Group and the members of Buyer Group determined with reference to factors including but not limited to the product specification, payment terms and size of orders. We noted from the Sample Transactions for the medical devices that (a) the margin charged by the Company to the member of Buyer Group is higher than the Group's overall gross profit margin of distribution segment during HY2025; and (b) such profit margin is no less favourable than the margin of medical device supplied to the independent customers from the Sample Transactions during the Relevant Period; (iv) the Group had passed the selection and approval procedures adopted by CR Healthcare Group for the sales of products which were subject to a centralised tendering process in order to become their suppliers; and (v) there were proper authorisations from relevant management(s) on the transaction documents, including the approvals by the relevant personnel-in-charge of sales department, quality control department, legal department and finance department.

Based on our review as stated above, we are of the view that (i) the pricing and other terms offered by the Group under the Sales Framework Agreement 2026/2028 are on normal commercial terms which are no less favourable to the Group than those offered to other independent third parties for similar transactions; and (ii) the pricing policy under the Sales Framework Agreement 2026/2028 is fair and reasonable.

Internal control measures

As set out in the Letter from the Board, the Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department for monitoring the annual caps of the relevant transactions. Details of the internal control measures are set out in the section headed "INTERNAL CONTROL MEASURES" in the Letter from the Board.

With reference to the Letter from the Board, the Group, similar to other independent third-party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become a supplier of the Buyer Group and/or hospitals managed by the Buyer Group.

As part of the Group's internal approval and monitoring procedures relating to transactions with the Buyer Group, and/or hospitals managed by the Buyer Group, designated personnel from the operations department of the Group will (i) compare the terms (including the selling prices) of its products and commodities that are offered to, or quoted by, other at least two independent customers (where available), or compare the margin or range of margin offered or charged to independent customers (where available) of its products and commodities and/or to the extent reasonably practicable, obtain market or industry data on the pricing of transactions of similar nature, scope and scale from time to time through publicly available information on the public sources such as on the website of the National Medical Products Administration (where available) in order to ensure that the transactions entered into with the Buyer Group and/or hospitals managed by the Buyer Group under the Sales Framework Agreement 2026/2028 are on normal commercial terms or no less favourable to the Group than those offered to independent third parties; and (ii) negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group in their ordinary and usual course of business on an arm's length basis. When the Group decides to enter into transactions contemplated under the Sales Framework Agreement 2026/2028 upon the aforementioned procedures and commercial negotiation, the operation department of the Group will submit the details of the transactions for internal review and approval by the sales department, quality control department, finance department and/or legal department of the Group as appropriate.

As discussed in the section headed "Pricing Basis and Pricing Policies" above in this Letter, we have obtained and reviewed the Sample Transactions and noted that (i) the Sample Transactions are in compliance with the pricing policy that the selling prices of the products sold by the Group to the Buyer Group were no less favourable than those offered by the Group to the independent customers; (ii) for the sales of the products which were subject to a centralised tendering process, the Group has passed the selection and approval procedures adopted by CR Healthcare Group in order to become their suppliers; (iii) for the sales of medical consumables that had no guided price, the Group has compared the terms and the selling prices of the medical consumables that were offered to at least two independent customers; (iv) for the sales of medical devices which are customized on a case-by-case basis where no prevailing market price is available for the Group to compare the terms and the selling prices of the same type of medical devices offered to independent customer, the Group charged a cost-plus markup margin and made reference to the cost of procurement and the factors including but not limited to the product specification, payment terms and size of orders. The Group has compared the available margin offered or charged to independent customers to ensure the margin charged to the Buyer Group is on normal commercial terms within a comparable range or no less favourable to the Group; and (v) there were proper authorisation from relevant management(s) on the transaction documents in accordance to the internal control procedure of the Group, including the approvals by the relevant personnel-in-charge of the sales department, quality control department, legal department and finance department. Having considered above, we are of the view that the Group's internal control measures in relation to the pricing policies serve to ensure the transactions contemplated under the Sales Framework Agreement 2026/2028 will be conducted on normal commercial terms and as such, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Review by the external auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Company must engage its external auditors to review the continuing connected transactions annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant caps have been exceeded.

We understand from the Management that the external auditor will conduct its review in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. We noted from the 2024 Annual Report that the auditor of the Company has reported on the Group's continuing connected transactions (including the transactions under the Existing Sales Framework Agreement) in accordance with Rule 14.56 of the Listing Rules.

Review by the independent non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors must review annually the continuing connected transactions and confirm in the Company's annual report whether the continuing connected transactions have been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. We noted from the 2024 Annual Report that the independent non-executive Directors have reviewed and confirmed the Group's continuing connected transactions (including the transactions under the Existing Sales Framework Agreement) in this regard.

The Management has confirmed that the transactions between the Group and CR Healthcare under the Existing Sales Framework Agreement have been complied with the relevant internal control procedures and pricing policies as mentioned above. Furthermore, the finance department of the Company shall regularly monitor the caps of the continuing connected transactions to ensure the applicable annual caps are not exceeded. When the projected transaction amount approaches or reaches the applicable annual caps, the Company shall revise the annual cap in accordance with the internal control procedures governing the continuing connected transactions.

Having considered the above, we are of the view that the internal control measures for monitoring the transactions contemplated under the Sales Framework Agreement 2026/2028 have been effectively implemented. We concur with the view of the Directors that the above procedures can ensure that the transactions contemplated under the Sales Framework Agreement 2026/2028 will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Assessment of the Annual Caps

(i) Review of historical transaction amounts

The historical transaction amounts of the Sales of Medical Product to the Buyer Group under the Existing Sales Framework Agreement for FY2024 and for the nine months ("**9M**") ended 30 September 2025 based on the management accounts of the Group are set out as follows:

	FY2024 *(RMB in million)*	**For 9M2025** *(RMB in million)*
Existing annual cap	2,500	3,000
Historical transaction amount	1,290.6	1,102.8 *(Note)*
Utilisation rate	51.6%	36.8% *(Note)*

Note: The data represent the unaudited historical transaction amount and utilisation rate for the 9M2025.

(ii) The Annual Caps

The proposed annual caps for the Group's sales of medical and pharmaceutical products and consumables under the Sales Framework Agreement 2026/2028 for each of the three years ending 31 December 2028 are set out as follows:

	For the years ending 31 December		
	2026	**2027**	**2028**
	(RMB in million)	*(RMB in million)*	*(RMB in million)*
Sales of Medical Products to the Buyer Group	1,850	1,900	2,000

For details of the basis of the Annual Caps, please refer to the section headed "Principal terms of the Sales Framework Agreement 2026/2028 — Annual Caps and Basis of Determination" in the Letter from the Board.

In order to assess the fairness and reasonableness of the Annual Caps, we have performed the following work and analysis:

(i) We have obtained from the Management and reviewed the calculations of the Annual Caps which are based on the expected Sales of Medical Products to the Buyer Group, each of its associates and the hospitals that are managed by the Buyer Group and/or its associates for the years ending 2026, 2027 and 2028. In determining the expected sales amounts for the years ending 2026, 2027 and 2028, the Management has considered a number of factors including (i) the historical sales amount for 9M2025; (ii) the amount of purchase orders received from the Buyer Group as at the Latest Practicable Date; (iii) the estimated sales amount for the next three years; and (iv) the utilization rate of the existing annual caps for FY2025. We noted that the Annual Cap for FY2026 is RMB1,850 million, which is lower than the existing annual cap for FY2025. The Management explained that the lowered Annual Caps have taken into account the utilization rate of 36.8% for 9M 2025. We also noted that the Sales of Medical Products to the Buyer Group decreased from RMB1,307.3 million for FY2023 to RMB1,290.6 million for FY2024, representing a slight year-on-year decrease of approximately 1.3%. As such, the Management considered that it is reasonable to propose the Annual Caps to be lower than the existing annual caps for FY2024 and FY2025.

(ii) As discussed with the Management, the expected increase in the Sales of Medical Products to the Buyer Group which is mainly attributable to the expectation that the hospital network of the Buyer Group will further expand. The expected expansion of the business scale of the Buyer Group and the hospital network managed by the Buyer Group, including CR Healthcare has been entrusted to manage and control other entities owned by CRC which operate hospitals, including but not limited to Beijing Aerospace and/or its subsidiaries, such that the expected number of hospitals under the Buyer Group and corresponding demand for medical and pharmaceutical products from the Group is expected to increase. The number of hospital managed by CR Healthcare and/or its associates as at 31 December 2024 was 105, and has further increased by 24 hospitals to 129 as of 30 September 2025, with the addition of Beijing Aerospace and/or its subsidiaries under management.

(iii) We noted from the 2023 Annual Report and 2024 Annual Report that the types of products manufactured by the Company, comprising chemical drugs, Chinese medicines and biological drugs as well as nutritional healthcare products, increased from 796 types for FY2023 to 840 types for FY2024. As at 31 December 2024, the Group had 417 ongoing drug R&D projects, including 67 innovative drug projects and more than 50 classic Chinese medicine prescriptions. The Group regards R&D innovation as an important driving force for long term growth and therefore the Management expects that the product expansion that it offers new products to the Buyer Group will lead to an increase in Sales of Medical Products to the Buyer Group for the three years ending 31 December 2028.

(iv) We were advised by the Management that the Company applied a buffer of approximately 10% to the Annual Caps for unforeseeable circumstances such as (i) unexpected increase in demand for products; and (ii) unexpected increase in unit price of the products. Having considered the buffer allows further flexibility for carrying out transactions contemplated under the Sales Framework Agreement 2026/2028, we are of the view that such buffer of 10% when determining the Annual Caps to be justifiable.

Having considered the basis on which the Annual Caps are determined as described above, we are of the view that the Annual Caps are fair and reasonable so far as the Independent Shareholder are concerned.

However, the Annual Caps are determined based on information currently available to the Company and the analysis as set out above, and the utilisation of the Annual Caps refer to future events associated with factors and uncertainties which may beyond the control of the Management. Hence, we express no opinion as to the accuracy and the actual utilisation of the Annual Caps.

OPINION AND RECOMMENDATION

Having considered the above-mentioned principal factors and reasons, we are of the view that (i) the Annual Caps are fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and (ii) the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and on normal commercial terms. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution in relation to the Sales Framework Agreement 2026/2028 at the EGM.

Yours faithfully,
for and on behalf of
IGNITE CAPITAL (ASIA PACIFIC) LIMITED
Cecilia Tam
Managing Director

Ms. Cecilia Tam is a licensed person registered with the SFC and a responsible officer of Ignite Capital (Asia Pacific) Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 15 years of experience in the corporate finance industry.

* *For identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of the Directors and the Chief Executive of the Company

As at the Latest Practicable Date, the interests/short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Interests in the issued ordinary shares or underlying shares of the Company:

Name of Director	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
Bai Xiaosong	Beneficial owner	Long position	200,000	0.0032

(2) Interests in the issued ordinary shares or underlying shares of China Resources Land Limited, an associated corporation of the Company:

Name of Director	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
Sun Yongqiang	Beneficial owner	Long position	30,000	0.0004

(3) Interests in the issued ordinary shares or underlying shares of China Resources Beer (Holdings) Company Limited, an associated corporation of the Company:

Name of Director	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
Sun Yongqiang	Interest of spouse	Long position	38,000	0.0012

(4) Interests in the issued ordinary shares or underlying shares of China Resources Medical Holdings Company Limited, an associated corporation of the Company:

Name of Director	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
Sun Yongqiang	Beneficial owner	Long position	92,000	0.0071

Save as disclosed above, as at the Latest Practicable Date, so far as it is known to the Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests/short positions in the Shares, underlying Shares and debentures of the Company or any or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of the Substantial Shareholders of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
CRC[(1)]	Interest in controlled corporation	Long position	3,354,786,612	53.40
China Resources Inc.[(1)]	Interest in controlled corporation	Long position	3,354,786,612	53.40
CRC Bluesky Limited[(1)]	Interest in controlled corporation	Long position	3,354,786,612	53.40
CR Holdings[(1)]	Interest in controlled corporation	Long position	3,354,786,612	53.40
CRH (Pharmaceutical) Limited[(1)]	Beneficial owner	Long position	3,333,185,612	53.05
Beijing State-owned Capital Operation and Management Company Limited[(2)]	Interest in controlled corporation	Long position	1,094,800,000	17.43
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited[(2)]	Interest in controlled corporation	Long position	1,094,800,000	17.43

Name of Shareholders	Capacity/ Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company *(%)*
Beijing State-owned Capital Operation and Management Center Investment Management Limited[(2)]	Beneficial owner	Long position	1,094,800,000	17.43

Notes:

(1) CRH (Pharmaceutical) Limited ("**CRH (Pharmaceutical)**") directly held 3,333,185,612 Shares. Commotra Company Limited ("**Commotra**") directly held 21,601,000 Shares. Each of CRH (Pharmaceutical) and Commotra is a wholly-owned subsidiary of CR Holdings. CR Holdings is a beneficially wholly-owned subsidiary of CRC Bluesky Limited, which is in turn wholly-owned by China Resources Inc. ("**CRI**"). CRI is an ultimately beneficially wholly-owned subsidiary of CRC. By virtue of the SFO, each of CRC, CRI, CRC Bluesky Limited and CR Holdings is deemed to have an interest in the Shares held by CRH (Pharmaceutical) and Commotra.

(2) Beijing State-owned Capital Operation and Management Center Investment Management Limited ("**BSCOMC Investment Management**", formerly known as Beijing Pharmaceutical Investment Limited) directly held 1,094,800,000 Shares. BSCOMC Investment Management is a wholly-owned subsidiary of Beijing State-owned Capital Operation and Management Center Investment Holdings Limited ("**BSCOMC Investment Holdings**", formerly known as Beijing Pharmaceutical Holdings Limited), which is in turn wholly owned by Beijing State-owned Capital Operation and Management Company Limited ("**BSCOMC**"). By virtue of the SFO, each of BSCOMC and BSCOMC Investment Holdings is deemed to have an interest in the Shares held by BSCOMC Investment Management.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to the Company, or were proposed to be acquired or disposed of by or leased to the Company.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were of the opinion that there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest audited financial statements of the Company were made up.

7. EXPERT AND CONSENT

The following expert's statements were issued on the date of this circular and were made for incorporation or reference (as the case may be) in this circular.

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Ignite Capital (Asia Pacific) Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Ignite Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Ignite Capital:

(a) did not have any shareholding in the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Group; and

(b) did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to the Company, or were proposed to be acquired or disposed of by or leased to the Company.

8. MISCELLANEOUS

The English text of this circular shall prevail over its respective Chinese text for the purpose of interpretation.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.crpharm.com) and the Stock Exchange's website (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

(a) the Sales Framework Agreement 2026/2028;

(b) the letter from the Independent Board Committee, the text of which is set out in pages 17 to 18 of this circular;

(c) the letter from the Independent Financial Adviser, the text of which is set out in pages 19 to 37 of this circular; and

(d) the written consent of the Independent Financial Adviser, which was referred to in the section headed "— Expert and Consent" above.

The details of the proposed amendments to the existing Articles of Association introduced by the New Articles of Association are as follows. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles of Association:

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
	Interpretation of Articles of Association The following interpretations are proposed to be added: **<u>“treasury shares” means the shares that are (or are regarded as having been) bought back by the Company and are held in treasury in accordance with the Companies Ordinance, the Listing Rules and all other applicable laws, rules and regulations; and</u>**

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
Article No. 7(2): Any special rights (unless otherwise provided for by the terms of issue) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the provisions of Section 180 of the Companies Ordinance, be varied or abrogated either with the consent in writing of the holders of not less than 75% of the total voting rights of holders of the shares or shares of that class (if the capital is divided into different classes of shares) or with the sanction of a special resolution passed at a general meeting of the holders of the shares or at a separate general meeting of the holders of the shares of that class (if the capital is divided into different classes of shares). To every such separate general meeting the provisions of these Articles relating to general meeting shall *mutatis mutandis* apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third of the total voting rights of holders of shares of that class, and at an adjourned meeting one person holding or his proxy representing shares of that class, and any holder of shares of the class present in person or by proxy may demand a poll.	Article No. 7(2) is proposed to be amended as follows: Any special rights (unless otherwise provided for by the terms of issue) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the provisions of Section 180 of the Companies Ordinance, be varied or abrogated either with the consent in writing of the holders of not less than 75% of the total voting rights of holders of the shares or shares of that class (if the capital is divided into different classes of shares) **<u>(excluding any shares held as treasury shares in the Company)</u>** or with the sanction of a special resolution passed at a general meeting of the holders of the shares or at a separate general meeting of the holders of the shares of that class (if the capital is divided into different classes of shares). To every such separate general meeting the provisions of these Articles relating to general meeting shall *mutatis mutandis* apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third of the total voting rights of holders of shares of that class **<u>(excluding any shares held as treasury shares in the Company)</u>**, and at an adjourned meeting one person holding or his proxy representing shares of that class, and any holder of shares of the class present in person or by proxy may demand a poll.

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 8(1): To the extent permitted by the Companies Ordinance or any other applicable ordinance, statute, act or law, the Company may from time to time buy back its own shares or to give directly or indirectly, by means of loan, guarantee, provision of security or otherwise, financial assistance for the purpose of or in connection with such share buy-back by the Company or a purchase made or to be made by any person of any shares in the Company.	Article No. 8(1) is proposed to be amended as follows: To the extent permitted by the Companies Ordinance, **the Listing Rules** or any other applicable **laws, rules and regulations** ~~ordinance, statute, act or law~~, the Company may from time to time buy back its own shares **regardless of whether such shares so bought back are to be cancelled or to be held or deposited as treasury shares** or to give directly or indirectly, by means of loan, guarantee, provision of security or otherwise, financial assistance for the purpose of or in connection with such share buy-back by the Company or a purchase made or to be made by any person of any shares in the Company.

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
	Article No. 8(1A) and 8(1B) are proposed to be added: **(1A) The Company may hold the shares bought back by it as treasury shares and/or dispose of, transfer or cancel the treasury shares on such terms and conditions as determined by the Board, subject to the Companies Ordinance, the Listing Rules or any other applicable laws, rules and regulations.** **(1B) The Company (and/or its nominee(s)) shall be entered in the register of members as the holder of the treasury share(s), provided that (a) the Company (and/or its nominee(s)) shall not be treated as a shareholder of the Company and shall not exercise any right in respect of the treasury share(s); (b) no dividend or other distribution of the Company's assets may be declared or paid in respect of a treasury share, unless otherwise provided under these Articles and permitted by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations; and (c) a treasury share shall not be voted at any general meeting of the Company and shall not be counted in determining the total voting rights in respect of shares or any class of shares at any given time.**

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 52: The Board may, whenever it thinks fit, convene a general meeting. Under the Companies Ordinance, the Board shall convene a general meeting at the request of minority shareholders holding at least 5% of the total voting rights of all the members having a right to vote at general meetings in writing, failing which, any such meeting may be convened by the request maker in accordance with the Companies Ordinance. All general meetings (including annual general meeting, any adjourned meeting or postponed meeting) may be held in such manner either (a) as a physical meeting in any part of the world and at two or more locations as provided in Article 59A, or (b) as a hybrid meeting, or (c) (only to the extent permitted by and subject to compliance with the Companies Ordinance, the Listing Rules and other applicable laws, rules and regulations) as an electronic meeting, as may be determined by the Board in its absolute discretion.	Article No. 52 is proposed to be amended as follows: The Board may, whenever it thinks fit, convene a general meeting. Under the Companies Ordinance, the Board shall convene a general meeting at the request of minority shareholders holding at least 5% of the total voting rights of all the members **(excluding any voting right attached to any shares held as treasury shares in the Company)** having a right to vote at general meetings in writing, failing which, any such meeting may be convened by the request maker in accordance with the Companies Ordinance. All general meetings (including annual general meeting, any adjourned meeting or postponed meeting) may be held in such manner either (a) as a physical meeting in any part of the world and at two or more locations as provided in Article 59A, or (b) as a hybrid meeting, or (c) (only to the extent permitted by and subject to compliance with the Companies Ordinance, the Listing Rules and other applicable laws, rules and regulations) as an electronic meeting, as may be determined by the Board in its absolute discretion.
Article No. 54: …(b) in the case of any other general meeting, by more than half of the shareholders having a right to attend and vote at the meeting and altogether holding not less than 95% of the total voting rights at the meeting of all shareholders.	Article No. 54 is proposed to be amended as follows: …(b) in the case of any other general meeting, by more than half of the shareholders having a right to attend and vote at the meeting and altogether holding not less than 95% of the total voting rights at the meeting of all shareholders **(excluding any voting right attached to any shares held as treasury shares in the Company)**.

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
Article No. 63(1): …(c) by any shareholder or shareholders present in person or by proxy and representing not less than 5% of the total voting rights of all the shareholders having the right to attend and vote at the meeting; or …	Article No. 63(1) is proposed to be amended as follows: …(c) by any shareholder or shareholders present in person or by proxy and representing not less than 5% of the total voting rights **(excluding any shares held as treasury shares in the Company)** of all the shareholders having the right to attend and vote at the meeting; or …

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 119(1): Subject to the Companies Ordinance, the Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment of or provision for the dividend on any shares with a preferential right to dividend, and accordingly such part thereof shall be sub-divided amongst the shareholders who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such shareholders respectively or paying up in full shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such shareholders in the proportion as aforesaid, or partly in one way and partly in the other.	Article No. 119(1) is proposed to be amended as follows: Subject to the Companies Ordinance, the Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment of or provision for the dividend on any shares with a preferential right to dividend, and accordingly such part thereof shall be sub-divided amongst the shareholders who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such shareholders respectively or paying up in full shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such shareholders in the proportion as aforesaid, or partly in one way and partly in the other. <u>**For purposes of any resolution of capitalisation pursuant to this Article 119, to the extent permitted by the Companies Ordinance, the Company may allot shares as fully paid bonus shares in respect of its treasury shares, and any such bonus shares allotted to the Company will be regarded as bought back and held by the Company as treasury shares unless the Board determines to cancel them.**</u>

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 124(1): Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve: (a) that such dividend be paid wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply: (i) the basis of any such allotment and issue shall be determined by the Board; (ii) the Board, after determining the basis of allotment and issue, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedures to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective; …	Article No. 124(1) is proposed to be amended as follows: Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve: (a) that such dividend be paid wholly or in part in the form of an allotment of shares **<u>or a transfer of treasury shares</u>** credited as fully paid up on the basis that the shares so allotted **<u>or transferred (as the case may be)</u>** shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment **<u>or transfer (as the case may be)</u>**. In such case, the following provisions shall apply: (i) the basis of any such allotment and issue **<u>or transfer (as the case may be)</u>** shall be determined by the Board; (ii) the Board, after determining the basis of allotment and issue **<u>or transfer (as the case may be)</u>**, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedures to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective; …

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
(iv) the dividend (or that part of the dividend to be paid by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the "non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts, including any special account if there be any such reserve as the Board may determine, a sum equal to the aggregate value of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis. ***- or -*** (b) that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend on the basis that the shares so allotted and issued shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply: (i) the basis of any such allotment and issue shall be determined by the Board;	(iv) the dividend (or that part of the dividend to be paid by the allotment of shares **or by the transfer of treasury shares** as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the "non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted **or transferred (as the case may be)** credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts, including any special account if there be any such reserve as the Board may determine, a sum equal to the aggregate value of the shares to be allotted **or transferred (as the case may be)** on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis. ***- or -*** (b) that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares **or a transfer of treasury shares** credited as fully paid up in lieu of the whole or such part of the dividend on the basis that the shares so allotted and issued **or transferred (as the case may be)** shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply: (i) the basis of any such allotment and issue **or transfer (as the case may be)** shall be determined by the Board;

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
(ii) the Board, after determining the basis of allotment and issue, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedures to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective; … (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (the "elected shares") and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts, including any special account if there be any such reserve as the Board may determine, a sum equal to the aggregate value of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.	(ii) the Board, after determining the basis of allotment and issue **<u>or transfer (as the case may be)</u>**, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedures to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective; … (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (the "elected shares") and in lieu thereof shares shall be allotted **<u>or transferred (as the case may be)</u>** credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts, including any special account if there be any such reserve as the Board may determine, a sum equal to the aggregate value of the shares to be allotted **<u>or transferred (as the case may be)</u>** on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 124(2): The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation: … unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of paragraph (1) (a) or (b) of this Article in relation to the relevant dividend or contemporaneously with its announcement of the distributions, bonuses or rights concerned, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distributions, bonuses or rights.	Article No. 124(2) is proposed to be amended as follows: The shares allotted **or transferred (as the case may be)** pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation: … unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of paragraph (1) (a) or (b) of this Article in relation to the relevant dividend or contemporaneously with its announcement of the distributions, bonuses or rights concerned, the Board shall specify that the shares to be allotted **or transferred (as the case may be)** pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distributions, bonuses or rights.
Article No. 124(4): Notwithstanding the provisions of paragraph (1) of this Article, the Company may upon the recommendation of the Board resolve in respect of any particular dividend of the Company that a dividend may be paid wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.	Article No. 124(4) is proposed to be amended as follows: Notwithstanding the provisions of paragraph (1) of this Article, the Company may upon the recommendation of the Board resolve in respect of any particular dividend of the Company that a dividend may be paid wholly in the form of an allotment of shares **or a transfer of treasury shares** credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment **or transfer (as the case may be)**.

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 124(5): The Board may determine that the right of election and the allotment and issue of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such right of election or the allotment and issue of shares would or might be unlawful.	Article No. 124(5) is proposed to be amended as follows: The Board may determine that the right of election and the allotment and issue of shares **or transfer of treasury shares** under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such right of election or the allotment and issue **or transfer** of shares **(as the case may be)** would or might be unlawful.
Article No. 125: The Board may, before recommending any dividend to be paid, set aside out of the profits of the Company such sums as it thinks fit as reserve(s) which shall, at the discretion of the Board, be applicable for purposes to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board thinks fit, and so that it shall not be necessary to keep any investments constituting the reserve(s) separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.	Article No. 125 is proposed to be amended as follows: The Board may, before recommending any dividend to be paid, set aside out of the profits of the Company such sums as it thinks fit as reserve(s) which shall, at the discretion of the Board, be applicable for purposes to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments ~~(other than shares of the Company)~~ as the Board thinks fit, and so that it shall not be necessary to keep any investments constituting the reserve(s) separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.

Provisions of the Existing Articles of Association	**Provisions of the New Articles of Association**
Article No. 144: … (f) by making it available on the Company's website, giving access to such website to that other person and (as required by the Companies Ordinance or the Listing Rules) giving to such person a one-off notification of the availability of such notice, document or information; or …	Article No. 144 is proposed to be amended as follows: … (f) by making it available on the Company's website, ~~giving access to such website to that other person and (as required by the Companies Ordinance or the Listing Rules) giving to such person a~~ **<u>subject to the Company's compliance with all applicable laws, rules and regulations, including, without limitation, the requirements for giving such person an</u>** one-off notification of the availability of such notice, document or information **<u>as required by the Companies Ordinance or the Listing Rules</u>**; or …

Provisions of the Existing Articles of Association	Provisions of the New Articles of Association
Article No. 146: … (c) if made available on the Company's website, be regarded as: (i) being sent or supplied on the later of: (1) the date on which the notice, document or information is first made available on the website of the Company; or (2) the date on which a notification of such availability is sent; and (ii) being received by that other person at the later of: (1) the time when the notice, document or information is first made available on the website of the Company; and (2) the time when that other person receives a notification of such availability, or otherwise at such time as prescribed under the Companies Ordinance; and …	Article No. 146 is proposed to be amended as follows: … (c) if made available on the Company's website, be regarded as: (i) being sent or supplied on ~~the later of~~: (1) the date on which the notice, document or information is first made available on the website of the Company **if no notification is required by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations to be made by the Company to such person**; or (2) the date on which a notification of such availability is sent **if such notification is so required by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations**; and (ii) being received by that other person at ~~the later of~~: (1) the time when the notice, document or information is first made available on the website of the Company **if no notification is required by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations to be made by the Company to such person**; **or** ~~and~~ (2) the time when that other person receives a notification of such availability **if such notification is so required by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations**, or otherwise at such time as prescribed under the Companies Ordinance; and …

華潤醫藥集團有限公司
China Resources Pharmaceutical Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2026 first extraordinary general meeting ("**EGM**") of China Resources Pharmaceutical Group Limited (the "**Company**") will be held at Room 201, No.7, Courtyard 2, Middle of North Third Ring Road, Chaoyang District, Beijing, PRC on Friday, 6 February 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out below. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 20 January 2026 (the "**Circular**").

ORDINARY RESOLUTION

1. "**THAT** (a) the Sales Framework Agreement 2026/2028, a copy of which is tabled at the meeting and marked "A" and initialed by the chairman of the meeting for identification purpose, the terms thereof and the transactions and the Annual Caps contemplated thereunder be and are hereby approved, ratified and confirmed; and (b) any one Director be and is hereby authorized for and on behalf of the Company to execute, deliver and/or affix seal on all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Sales Framework Agreement 2026/2028."

SPECIAL RESOLUTION

2. "**THAT** the New Articles of Association of the Company, a copy of which is tabled at the meeting and marked "B" and initialed by the chairman of the meeting for identification purpose be and are hereby approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company with immediate effect after the close of this meeting, and any one Director be and is hereby authorised to do all things necessary to implement the adoption of the New Articles of Association."

By order of the Board
China Resources Pharmaceutical Group Limited
Mr. Bai Xiaosong
Chairman

Hong Kong, 20 January 2026

Notes:

1. The resolution at the EGM will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the Company's website (www.crpharm.com) and the Stock Exchange's website (www.hkexnews.hk) in accordance with the Listing Rules.

2. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the proxy form. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him.

3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the registered office of the Company at 41st Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the EGM or any adjourned meeting thereof should he so wish.

4. The register of members of the Company will be closed from Tuesday, 3 February 2026 to Friday, 6 February 2026, both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Friday, 6 February 2026 (record date) are entitled to attend and vote at the EGM. In order to determine the identity of members who are entitled to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 February 2026 for registration.

5. If a Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions after super typhoons" announced by the HKSAR Government is/are in force on the date of the EGM, the EGM will be considered to be postponed or adjourned. The Company will post an announcement on the Company's website (www.crpharm.com) and the Stock Exchange's website (www.hkexnews.hk) to notify Shareholders if there are any changes on the date, time and place of the EGM. The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions bearing in mind their own situations.

   In addition, no corporate gifts will be distributed by the Company at the above meeting.

6. The EGM (or any adjournment thereof) is expected to take no more than half a day. Shareholders or their proxies attending the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Mr. Bai Xiaosong as chairman and executive Director, Mr. Cheng Jie and Mr. Liu Changan as executive Directors, Mdm. Guo Wei, Mr. Sun Yongqiang, Mr. Wang Yuhang, Mr. Guo Chuan and Mdm. Jiao Ruifang as non-executive Directors and Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen as independent non-executive Directors.