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遠大醫藥集團

GRAND PHARMACEUTICAL GROUP

GRAND PHARMACEUTICAL GROUP LIMITED

遠大醫藥集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00512)

CONTINUING CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 8 June 2026, the Group entered into the Huadong Medicine Supply Agreement, pursuant to which Grand Pharm (China) or its related companies shall supply pharmaceutical preparations, raw materials and related services to Huadong Medicine or its related companies.

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

- (a) China Grand is interested in 1,896,044,240 Shares, representing approximately 53.42% of the total issued share capital of the Company and is thus a controlling shareholder of the Company; and
- (b) China Grand controls the exercise of 30% or more of the voting power at the general meeting of Huadong Medicine, and thus Huadong Medicine is an associate of China Grand.

Accordingly, Huadong Medicine is a connected person of the Company under Chapter 14A of the Listing Rules. Hence, the transactions contemplated under the Huadong Medicine Supply Agreement constitute continuing connected transactions on the part of the Company.

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

BACKGROUND

From 1 January 2026 up to the date of this announcement, the Group has supplied pharmaceutical preparations, raw materials and related services to Huadong Medicine and its related companies with an aggregate amount of approximately RMB10,000,000.

With a view to continuing the above arrangements with Huadong Medicine which are in alignment with the Group's business development, the Group entered into the Huadong Medicine Supply Agreement.

The details of the Huadong Medicine Supply Agreement are set out below.

RELATIONSHIPS BETWEEN THE PARTIES

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the relationships between the relevant parties under the Huadong Medicine Supply Agreement are set out below:

The Group

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

Parties outside the Group

China Grand	China Grand Enterprises Incorporation* (中國遠大集團有限責任公司), a company established in the PRC with limited liability, a controlling shareholder of the Company which is interested in 1,896,044,240 Shares, representing approximately 53.42% of the total issued share capital of the Company.
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Huadong Medicine Huadong Medicine Co., Ltd* (華東醫藥股份有限公司), a company established in the PRC, the issued shares of which are listed on the Shenzhen Stock Exchange and owned as to approximately 41.68% by China Grand

Huadong Medicine Supply Agreement

Date: 8 June 2026

Parties: Grand Pharm (China), as supplier
Huadong Medicine, as purchaser

Products: Grand Pharm (China) or its related companies shall supply pharmaceutical preparations, raw materials and related services to Huadong Medicine or its related companies.

The parties shall determine the specifications and technical requirements, price and volume of the products supplied on an order-by-order basis.

Pricing basis: The price of the products will be determined on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to the prevailing market prices, or on terms not less favourable than those which will be charged by Grand Pharm (China) or its related companies (if any) to other independent customers for the same or similar products.

For the purpose of ascertaining the market prices, the Group will refer to the latest price of products of comparable quality, quantity and specifications which are supplied by no less than two Independent Third Parties.

Payment terms: The fees chargeable by the Group will be satisfied in cash. A credit period of 90 days will be given after issuance of invoices. This credit period is comparable to those given to Independent Third Party customers.

Term: For the period commencing from the respective Effective Date until 31 December 2026.

Historical annual caps and supply amounts#:	<p>The historical annual caps for the supply of products and related services to Huadong Medicine and its related companies for the period commencing on 30 June 2023 (being the effective date of the original supply agreement) until 31 December 2023, and for the two years ended 31 December 2025 were RMB141,000,000, RMB142,000,000 and RMB143,000,000, respectively.</p> <p>The historical amounts of products and related services supplied to Huadong Medicine by the Group for the three years ended 31 December 2023, 2024 and 2025 were approximately RMB140,680,000, RMB132,398,000 and RMB86,949,000, respectively.</p>
Annual cap#:	<p>For the period commencing from the Effective Date until 31 December 2026, the Huadong Medicine Supply Cap will be RMB100,000,000.</p> <p>The Huadong Medicine Supply Cap is determined by the Directors based on (i) the historical amounts of products purchased by Huadong Medicine or its related companies from the Group; (ii) the estimated maximum orders to be placed to Grand Pharm (China) or its related companies as indicated by Huadong Medicine or its related companies; and (iii) the current and expected market price fluctuations of the relevant products.</p>
Conditions Precedent:	<p>The Huadong Medicine Supply Agreement shall become effective upon fulfilment of the following conditions:</p> <ul style="list-style-type: none"> (i) All necessary consents and approvals required for the entering into of the Huadong Medicine Supply Agreement and the transactions contemplated thereunder have been obtained by the parties; (ii) If necessary, the independent Shareholders of the Company have passed an ordinary resolution at a general meeting to approve the Huadong Medicine Supply Agreement and the transactions contemplated thereunder; and (iii) As the transactions contemplated under the Huadong Medicine Supply Agreement constitute continuing connected transactions of the Company, the performance of the obligations under the agreement has complied with the requirements of the Listing Rules. <p>If any of the above conditions precedent fails to be fulfilled on or before 31 October 2026 (or such later date as the parties may agree in writing), the Huadong Medicine Supply Agreement shall be terminated, and neither party shall have any liability and legal obligation towards the other party, save for any antecedent breach of the terms of the agreement.</p>

INFORMATION ABOUT THE GROUP AND HUADONG MEDICINE

The Group (including Grand Pharm (China)) is principally engaged in the research and development, manufacture and sales of pharmaceutical preparations and medical devices, biotechnology products and health products, specialized raw materials and other products in the PRC.

Huadong Medicine and its subsidiaries are principally engaged in the manufacture and sale of pharmaceutical products.

REASONS AND BENEFITS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Group will sell and/or supply to Huadong Medicine various pharmaceutical preparations, such as cerebro-cardiovascular medicines and antibiotics, certain pharmaceutical intermediates (which are chemicals and raw materials used for the production of its products), and related services.

As Huadong Medicine has established its own sales networks and retail outlets in many cities covering over 10 provinces in the PRC, the Directors (including the independent non-executive Directors) are of the view that the entering into of the Huadong Medicine Supply Agreement will provide the Group with stable sales channels and a solid demand base, allowing the Group to fully utilize the existing sales networks of Huadong Medicine to continuously promote the brand of the Group's products. The Group has been supplying pharmaceutical preparations to Huadong Medicine or its related companies since 2012, and the entering into of the Huadong Medicine Supply Agreement can also ensure long-term and stable business development and help maintain market recognition continuity.

In view of the above, the Directors (including the independent non-executive Directors) consider that the entering into of the Huadong Medicine Supply Agreement is in the ordinary and usual course of business of the Group, and that the terms and conditions of the Huadong Medicine Supply Agreement are determined on an arm's length basis among the relevant parties, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

To ensure that the terms of the continuing connected transactions under the Huadong Medicine Supply Agreement are fair and reasonable and that the transactions are conducted on normal or better commercial terms, the Group has adopted the following internal control measures:

1. To determine the market prices of raw materials, the sales department will extract information from the Group's internal sales records to determine the quarterly unit price range of products of comparable quality, quantity, and specifications supplied by the Group to independent third parties prior to the proposed sale to Huadong Medicine. If no such sales records exist, the sales department will use the three most recent sales records of products of comparable quality, quantity, and specifications sold to independent third parties as a reference price range for sales to Huadong Medicine. The Group will ensure that the unit price charged to Huadong Medicine will not be lower than the upper limit of the aforementioned price range. The final unit price charged to Huadong Medicine is subject to approval and confirmation by the management of the sales department;

2. The financial manager of the Group will (a) monitor the transaction amounts on a monthly basis and review the management accounts to ensure that the actual transaction amounts do not exceed the Huadong Medicine Supply Cap; and (b) if the transaction amounts are expected to exceed the Huadong Medicine Supply Cap, report to the Board for consideration and approval to determine whether there is a need to revise the Huadong Medicine Supply Cap in compliance with the Listing Rules;
3. The auditors and independent non-executive Directors of the Company will conduct an annual review of the continuing connected transactions under the Huadong Medicine Supply Agreement and provide annual confirmations to ensure that the transactions are conducted in accordance with the terms of the agreement, normal commercial terms, and relevant pricing policies, pursuant to Rules 14A.55 and 14A.56 of the Listing Rules; and
4. The Board will continue to review the Company's internal control system and its effectiveness on an annual basis.

IMPLICATIONS UNDER THE LISTING RULES

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

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

(b) China Grand controls the exercise of 30% or more of the voting power at the general meeting of Huadong Medicine, and thus Huadong Medicine is an associate of China Grand.

Accordingly, Huadong Medicine is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions under the Huadong Medicine Supply Agreement constitute continuing connected transactions of the Company.

For the period commencing from the Effective Date until 31 December 2026, the cumulative annual cap for the transactions contemplated under the Huadong Medicine Supply Agreement is RMB100,000,000.

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

The Board confirms that none of the Directors has any material interest in the transactions contemplated under the Huadong Medicine Supply Agreement, and they are required to abstain from voting on the board resolutions for approving the Huadong Medicine Supply Agreement.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Grand”	China Grand Enterprises Incorporation (中國遠大集團有限責任公司), a company established in the PRC with limited liability, which is a controlling shareholder of the Company and is controlled and ultimately and beneficially owned by Mr. Hu Kaijun
“Company”	Grand Pharmaceutical Group Limited (遠大醫藥集團有限公司*), a company incorporated in Bermuda with limited liability, and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the Huadong Medicine Supply Agreement, i.e., the date upon fulfilment of all conditions precedent set out in the agreement
“Grand Pharm (China)”	Grand Pharmaceutical (China) Company Limited* (遠大醫藥(中國)有限公司), a company established in the PRC with limited liability, being an indirect non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huadong Medicine”	Huadong Medicine Co., Ltd* (華東醫藥股份有限公司), a company established in the PRC, and the issued shares of which are listed on the Shenzhen Stock Exchange, and principally engaged in manufacture and sale of pharmaceutical products
“Huadong Medicine Supply Agreement”	the agreement dated 8 June 2026 and entered into between Grand Pharm (China) and Huadong Medicine in respect of the supply of pharmaceutical preparations, raw materials and related services by Grand Pharm (China) or its related companies

“Huadong Medicine Supply Caps”	the annual cap for the transactions contemplated under the Huadong Medicine Supply Agreement for the period commencing on the respective Effective Date and ending 31 December 2026
“Independent Third Party(ies)”	any person(s) or company(ies) and their ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with the Company or its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 8 June 2026

As at the date of this announcement, the Board consists of four executive Directors, Dr. Tang Weikun, Mr. Zhou Chao, Mr. Yang Guang and Ms. Lin Zhiyi; and four independent non-executive Directors, Ms. So Tosi Wan, Winnie, Dr. Xing Lina, Dr. Pei Geng and Mr. Hu Yebi.

* *For identification purpose only.*

All historical transaction amounts and annual caps refer to pre-tax transaction amounts.