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## **UPDATE ON IMPLEMENTATION OF REMEDIAL ACTIONS AND KEY FINDINGS OF INTERNAL CONTROL REVIEW**

### **REFERENCES**

Reference is made to the announcement of China NT Pharma Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 May 2026 (the “**Announcement**”) in relation to, among other things, certain past notifiable transactions and connected transactions in relation to the provision of financial assistance and loan agreements and disclosure of judicial procedure records of a director. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

### **BACKGROUND**

As disclosed in the Announcement, the Board has adopted and will continue to implement enhanced governance, compliance and internal control measures to prevent the recurrence of similar non-compliance incidents in the future. As part of the remedial actions, the Company has appointed PAL Advisory Limited (the “**Internal Control Adviser**”) as an independent third-party internal control adviser to conduct an internal control procedures assessment of the Group’s internal control systems relating to connected transactions and disclosable transactions.

An independent assessment of the Group’s internal control systems has been conducted by the Internal Control Adviser since April 2026, and a follow-up review has been conducted to make sure that all proposed internal control policies have been adopted before the provision of the “China NT Pharma Group Internal Control Procedures Assessment Report” (the “**Assessment Report**”).

## **SCOPE OF THE ASSESSMENT**

The assessment mainly covered the following areas:

- (A) Review of policies and procedures relating to connected transaction management;
- (B) Review of the mechanism for identifying connected persons;
- (C) Review of the approval process for connected transactions;
- (D) Review of the mechanisms for reporting and disclosure of connected transactions;
- (E) Review of the mechanisms for maintaining records and documentation, including minutes of board meetings; and
- (F) Review of the Group's compliance training and ongoing support arrangements.

## **KEY FINDINGS AND REMEDIATION STATUS**

The Assessment Report identified two findings in relation to the Group's internal control systems. The key findings, corresponding recommendations and the remediation status are summarised as follows:

### **Finding 1: Lack of annual review mechanism for the connected persons list**

The Assessment Report noted that although the Group has established a connected persons list management mechanism, the Group had not established an annual review mechanism for the connected persons list with clear requirements for the annual review and update, nor had it maintained written records of such review. The absence of an annual review mechanism and corresponding written records may result in connected relationship changes not being identified and updated in a timely manner.

### ***Recommendation:***

The Internal Control Adviser recommended that the Group establish an annual review mechanism for the connected persons list, requiring a full review and update of the connected persons list on an annual basis, and the review process and outcome should be documented and retained as written records.

***Remediation Status:***

The Company has revised and improved the “Connected Transaction and Disclosable Transaction Management Policy” to formalise the annual confirmation and information update requirements for the Connected Persons List. The company secretary circulates the latest Connected Persons List to the Board prior to the annual Board meeting; directors review the List at the meeting and confirm whether the information is complete and accurate; confirmed outcomes are approved by the Board and recorded in the minutes for filing. In addition, at the Board meeting held on 17 June 2026, the Chairman reminded the directors and senior management of the definitions of “connected persons” and “close associates” under the Listing Rules, and requested directors to confirm that the Connected Persons List is complete and accurate. Each director present confirmed the above to the best of his/her knowledge, information and belief, after making all reasonable enquiries.

**Finding 2: No formal whistleblowing policy has been established**

The Assessment Report noted that while the Group has had whistleblowing-related arrangements in the past, a formal whistleblowing policy had not yet been established during periods of business transformation and personnel changes. In the absence of a formal policy, employees, business partners and other stakeholders may lack clear channels to raise concerns when they identify potential misconduct.

***Recommendation:***

The Internal Control Adviser recommended that the Group establish a formal whistleblowing policy as soon as practicable, including the following key elements: (i) the audit committee should take the lead in formulating a written Whistleblowing Policy; (ii) the Policy should clearly set out an independent reporting channel (directly to the audit committee), the scope of matters that may be reported, the procedures and timelines for handling reports, and mechanisms for confidentiality and anti-retaliation protection for whistleblowers; and (iii) after approval by the Board, the Policy should be published internally, and the audit committee should report to the Board annually on the receipt and handling of whistleblowing cases.

***Remediation Status:***

The Company has established a formal Whistleblowing Policy, which was reviewed and approved by the Board on 3 July 2026. The policy has been published internally and on the Company’s website for accessibility, and employees have been informed of confidential reporting channels and protections, including strict confidentiality and safeguards against retaliation. The Audit Committee will continue to oversee the implementation of the policy and conduct an annual review of the handling of whistleblowing cases.

## **CONCLUSION OF THE ASSESSMENT REPORT**

Based on the results of the internal control procedures assessment, the Internal Control Adviser considered that the Group has established a relatively comprehensive system for managing connected transactions, including the “Connected Transaction and Disclosable Transaction Management Policy”, the connected persons list management mechanism, the reporting mechanism for connected persons, the contract review and co-signing process, the independent review mechanism, the information disclosure arrangements, and the record-keeping mechanism. Together with ongoing professional support from external legal advisers and the annual compliance training mechanism, the Group is, in general, able to effectively ensure compliance with the applicable requirements under Chapters 14 and 14A of the Listing Rules.

The Internal Control Adviser noted that the findings identified in the assessment mainly relate to execution-level and policy-detail enhancements, which do not involve any material structural deficiencies in the connected transaction management framework. Based on the scope of the assessment and the procedures performed, the Internal Control Adviser has not identified any material internal control deficiencies in the Group’s connected transaction management system. The internal control measures and procedures are sufficient and effective both in design and operation, and are able to meet the needs of business development and compliance management. They also can effectively prevent similar compliance issues from recurring.

## **VIEWS OF THE AUDIT COMMITTEE AND THE BOARD**

The Board (including the Audit Committee) has reviewed the Assessment Report and considered that, while no material internal control deficiencies were identified within the scope of the assessment, the two findings indicated room for enhancement at the execution level. The Board was of the view that, subject to the completion of the ongoing remediation measures and continuous monitoring by management, the Group’s internal control framework would be capable of effectively ensuring compliance with the applicable requirements under Chapters 14 and 14A of the Listing Rules.

On 3 July 2026, the Audit Committee resolved to adopt the Assessment Report and to continue to monitor the effectiveness of remediation measures. On the same date, the Board resolved to adopt the Assessment Report and to continue to monitor the effectiveness of remediation measures and require management to report regularly.

The Board (including the Audit Committee) is of the view that the enhanced internal control measures implemented and to be implemented by the Group are adequate and sufficient to address the findings of the Assessment Report in order to prevent, monitor and detect occurrence of similar incidents as those non-compliance issues as contained in the Announcement, and to meet the Company’s obligations under the Listing Rules.

The Board (including the Audit Committee) will continue to monitor the effectiveness of the Group's internal control systems and procedures to perform its obligations under the Listing Rules, and ensure the Group's internal control policies and procedures are reasonable and adequate, and integrate them into the Group's operations.

By Order of the Board  
**China NT Pharma Group Company Limited**  
*Chairman*  
**Ng Tit**

Hong Kong, 3 July 2026

*As at the date of this announcement, the executive Directors are Mr. Ng Tit and Ms. Ng, Anna Ching Mei; the non-executive Directors are Dr. Qian Wei, Ms. Chin Yu and Mr. Lou Yongbin; and the independent non-executive Directors are Mr. Yu Tze Shan Hailson, Mr. Kwok Che Chung and Dr. Zhao Yubiao.*