国药集团
SINOPHARM

CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS CO. LIMITED
中國中藥控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 570)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by China Traditional Chinese Medicine Holdings Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 (the "**Period**"), it is expected that the loss of the Group for the Period would be approximately RMB800 million to RMB850 million, and the loss for the same period of last year was approximately RMB141.76 million.

Based on the information currently available to the Board, the Board believes that:

(i) sales revenue and profitability of the concentrated TCM granules business decreased as affected by industry policies adjustment and market environment changes, which resulted in further goodwill impairment;

(ii) revenue scale and profitability of the TCM finished drugs business and the Chinese medicinal herbs integration business decreased; and

(iii) assets impairment, credit impairment and the remedial taxes in certain subsidiaries for the Period increased, which also posed impacts on the loss.

The Board hereby emphasizes that the goodwill impairment mentioned above is of a non-cash nature and a necessary measure to improve the Group's financial condition in the future. In the face of a persistently strict external business environment, the Group will proactively study and determine the existing business model, and seek to effectively address the ongoing challenges arising from intensified competition across the industry and the macroeconomic environment through measures such as enhancing operational efficiency, optimizing resource allocation and reforming marketing model.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available and the Group's consolidated management accounts for the Period which have not been audited by the independent auditor of the Company. Shareholders and potential investors of the Company are advised to refer to the announcement regarding the Group's interim results for the six months ended 30 June 2026 to be published by the end of August 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Traditional Chinese Medicine Holdings Co. Limited
LI Hongjian
Executive Director

Hong Kong, 17 July 2026

As at the date of this announcement, the Board comprises twelve Directors, of which Mr. GUO Jinhong, Mr. LI Hongjian and Mr. PENG Li are executive Directors; Mr. LI Xiangrong, Mr. ZU Jing, Ms. XU Jinghui, Mr. CHEN Kun and Mr. HUANG Hao are non-executive Directors; and Mr. XIE Rong, Mr. YU Tze Shan Hailson, Mr. QIN Ling and Mr. LI Weidong are independent non-executive Directors.