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国药集团
SINOPHARM

國藥控股股份有限公司
SINOPHARM GROUP CO. LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國控股份有限公司)

(Stock Code: 01099)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS: 2026 INFORMATION TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

The Board hereby announces that, in consideration of the Group's business development needs and the strategic planning for digital transformation, the Company and Sinopharm Digital Technology entered into the 2026 Information Technology Services Framework Agreement on 27 October 2026. The term of the 2026 Information Technology Services Framework Agreement shall be three years from 27 October 2026 to 26 October 2029.

CNPGC is the ultimate controlling shareholder of the Company, therefore, CNPGC and its subsidiary, Sinopharm Digital Technology, are connected persons of the Company under the Hong Kong Listing Rules. The 2026 Information Technology Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement exceed 0.1% but are less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

** The Company is registered as a non-Hong Kong company under the Hong Kong Companies Ordinance under its Chinese name and the English name "Sinopharm Group Co. Ltd.".*

I. BACKGROUND

The Board hereby announces that, in consideration of the Group's business development needs and the strategic planning for digital transformation, the Company and Sinopharm Digital Technology entered into the 2026 Information Technology Services Framework Agreement on 27 October 2026. The term of the 2026 Information Technology Services Framework Agreement shall be three years from 27 October 2026 to 26 October 2029.

II. 2026 INFORMATION TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

In consideration of the Group's business development needs and the strategic planning for digital transformation, the Company and Sinopharm Digital Technology entered into the 2026 Information Technology Services Framework Agreement on 27 October 2026 for a term of three years from 27 October 2026 to 26 October 2029.

1. 2026 Information Technology Services Framework Agreement

Details of the 2026 Information Technology Services Framework Agreement are as follows:

Date:	27 October 2026
Parties:	(i) the Company (ii) Sinopharm Digital Technology
Term of the Agreement:	The term will be three years from 27 October 2026 to 26 October 2029. Upon its expiry, the agreement may, subject to compliance with the relevant laws and regulations and the Hong Kong Listing Rules, be extended or renewed with the consent of the parties.
Nature of the Transactions:	Pursuant to the 2026 Information Technology Services Framework Agreement, the Group has agreed to procure cloud-network infrastructure and model computing power services, and other types of information technology services (including but not limited to technical services, technical development, technical consulting, technical transfer, technical promotion, software development, information consulting services, information system integration services, big data services and business training) from Sinopharm Digital Technology, and Sinopharm Digital Technology has agreed to provide such services to the Group.
Principle of the Transactions:	The transactions under the 2026 Information Technology Services Framework Agreement shall follow the principle of fairness, and the terms and conditions of the transactions, including but not limited to the price, shall be conducted on normal commercial terms or better and the quality and conditions of the same or similar services and products shall be no less favourable than those sold or offered by independent third parties to the Group or by Sinopharm Digital Technology to other members of CNPGC.

The 2026 Information Technology Services Framework Agreement is non-exclusive, and the Group is entitled to procure such services and products from any other third parties.

The Group may, from time to time, enter into specific agreements with Sinopharm Digital Technology to specify the details such as product requirements, scope of services, delivery term, transaction amount and other specifications, provided that the principles and terms in the 2026 Information Technology Services Framework Agreement must be followed.

Pricing Policy: The prices at which the Group procures the relevant services and products from Sinopharm Digital Technology under the 2026 Information Technology Services Framework Agreement are determined solely on the basis of the corresponding costs of Sinopharm Digital Technology, with primary reference given to the total costs and associated labour costs incurred by Sinopharm Digital Technology in supplying the relevant services and products, including the amortization of hardware and software, technical upgrades and associated operation and maintenance, etc. The Company has also taken into account current market prices for the procurement of similar services and products, and selected the publicly available market quotations for similar services or products provided by (i) public cloud platforms operated by no less than three central state-owned enterprise (SOE) operators (all of which are independent third parties) and (ii) private cloud platforms built and operated by no less than three digital technology subsidiaries of central SOE groups (all of which are independent third parties) as a reference. The aforementioned pricing criteria were determined by the parties through arm's length negotiation and have been subject to the completion of each party's respective internal review and approval procedures.

2. Annual Caps

Historical figures

Historical transaction amounts between the Group and Sinopharm Digital Technology in respect of the procurement of cloud-network infrastructure and model computing power services, and other types of information technology services are as follows:

	Year ended 31 December 2024	Year ended 31 December 2025	Nine months ended 30 September 2026
	(RMB million)	*(RMB million)*	*(RMB million)*
Amounts paid by the Group to Sinopharm Digital Technology in respect of the procurement of cloud-network infrastructure and model computing power services, and other types of information technology services	5.4	24.5	11.9

Proposed annual caps for the period ending 26 October 2029

The Directors propose the annual caps for the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement for the period ending 26 October 2029 to be as follows:

	Period from 27 October 2026 to 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028	Period from 1 January 2029 to 26 October 2029
	(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
Proposed annual caps for the 2026 Information Technology Services Framework Agreement	74	129	166	173

Basis of determination of the annual caps

The above-mentioned proposed annual caps for continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement are determined after taking into account the following factors:

(i) in accordance with the Company's digital construction plan for the 15th Five-Year Plan period, the principal transactions between the Group and Sinopharm Digital Technology cover cloud-network infrastructure, model computing power services, system construction and implementation services, and services related to industrial digitalization. The period ending 26 October 2029 represents a phase of rapid advancement in the Company's digital transformation construction and integrated operations. It is anticipated that the Group's demand for the aforementioned information technology services will increase significantly;

(ii) the amount of connected transactions that have already taken place between the Group and Sinopharm Digital Technology during the two years of 2024 and 2025 amounted to approximately RMB29.9 million in aggregate, and the amount of connected transactions that have already taken place for the nine months ended 30 September 2026 amounted to approximately RMB11.9 million. Based on the implementation plan for the Group's digital transformation construction planning and the status of proposed projects, the Group estimates that the transaction amounts for the procurement of information technology services from Sinopharm Digital Technology for the period ending 31 December 2026, the year ending 31 December 2027, the year ending 31 December 2028 and the period from 1 January 2029 to 26 October 2029 will be approximately RMB67.1 million, RMB117.1 million, RMB150.6 million and RMB157.6 million, respectively, amounting to approximately RMB492 million in aggregate during the term of the agreement. The business types covered by the above estimated transaction amounts mainly include (a) cloud-network infrastructure and model computing power services (including infrastructure and AI computing power, etc.), which are expected to account for over 90% of the total transaction amount during the term of the agreement; and (b) other information technology services (mainly the application of systems centrally developed by CNPGC). The estimated transaction amounts represent a significant increase compared with the historical transaction amounts, mainly because the Group will focus on advancing the construction of projects relating to digital infrastructure and computing power during the term of the agreement. In particular, the estimated transaction amounts for 2028 and 2029 are expected to increase further, mainly because the Group expects to further expand the deployment of computing power resources and advance the construction of patient services, business-finance integration, financial shared services and other projects during such period, and the demand for the relevant cloud-network infrastructure and model computing power services will continue to grow; and

(iii) taking into account current market price dynamics and development trends for cloud-network infrastructure and model computing power services, a 10% buffer has been added to the estimated transaction amount for each of the above periods to accommodate any unexpected growth in the aforementioned transaction amounts during the term of the 2026 Information Technology Services Framework Agreement, and the proposed annual caps above were arrived at after rounding.

3. Reasons for and Benefits of Entering into the 2026 Information Technology Services Framework Agreement

Sinopharm Digital Technology is a technology enterprise under CNPGC specializing in the digitalization of the pharmaceutical and healthcare industries. It possesses extensive experience and professional technical capabilities in cloud-network infrastructure, model computing power services, system construction and implementation services, and services related to industrial digitalization. In accordance with the Company's digital construction plan for the 15th Five-Year Plan period, the Group's principal transactions with Sinopharm Digital Technology cover cloud-network infrastructure, model computing power services, system construction and implementation services, and services related to industrial digitalization. As an information technology service provider within the CNPGC system, Sinopharm Digital Technology understands and is familiar with the Group's business and operational requirements, and can provide the Group with stable, efficient and tailored information technology services, thereby helping promote the Group's digital transformation and integrated development. In view of the high sensitivity and security requirements of pharmaceutical distribution data, the Group selected Sinopharm Digital Technology to provide basic information technology services to the Group, which helps ensure the security of the Group's data and the controllability of its information systems.

To the best of the Directors' knowledge, Sinopharm Digital Technology has established stringent internal control measures to ensure effective risk management and compliance with relevant laws and regulations of the PRC. Meanwhile, the Group will also adopt reasonable internal control procedures and corporate governance measures in utilizing the products and/or services provided by Sinopharm

Digital Technology to the Group.

III. MEASURES OF INTERNAL CONTROL

In respect of the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement, the Company has adopted and will continue to strengthen the following internal control policies:

(i) the digital management department of the Group shall regularly review the pricing of the transactions under the 2026 Information Technology Services Framework Agreement, so as to ensure that such transactions are conducted in accordance with the pricing terms thereof;

(ii) the departments of the Group responsible for the execution of connected transactions will generally, under comparable conditions, compare the terms and conditions of the specific agreements with those offered by at least two comparable independent third parties through price inquiry or comparison prior to the entering into of the specific agreements, so as to ensure that the pricing policies of the relevant products or services offered by Sinopharm Digital Technology to the Group under the same or similar business model are fair and reasonable;

(iii) the Group shall regularly monitor the transaction amounts under the 2026 Information Technology Services Framework Agreement. When the transaction amounts reach 70% of the annual cap for the current year, or are expected to potentially exceed the annual cap as set, the relevant functional departments of the Group shall promptly report and respond in accordance with the Group's regulatory policy on continuing connected transactions, so as to ensure that the Company complies with all applicable requirements under the Hong Kong Listing Rules for revising the relevant annual caps; and

(iv) the legal and compliance department of the Group shall review the terms of the 2026 Information Technology Services Framework Agreement and, in case of any proposed change to the major terms of the transactions, ensure that the Company complies with all applicable requirements under the Hong Kong Listing Rules, including but not limited to publishing an announcement.

The Directors consider that such internal policies and procedures can ensure the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement will be conducted on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreement.

In addition, the independent non-executive Directors of the Company will review the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement on an ongoing basis to ensure that such agreement is entered into on normal commercial terms, is fair and reasonable, and is carried out pursuant to the terms of such agreement.

The auditors of the Company will also conduct an annual review on the pricing terms and annual caps of such continuing connected transactions. When conducting the annual review, the Company will provide the auditors with all required data and information of the continuing connected transactions. The Company and its subsidiaries will also promptly cooperate with the auditors for inspection and verification and provide the relevant implementation agreements for the auditors to review whether such implementation agreements comply with the terms of the framework agreement in material respects. The finance and treasury department of the Company will also maintain close communication with the auditors to answer relevant questions raised by the auditors in course of the annual review in a timely manner.

IV. DIRECTORS' INTERESTS IN THE TRANSACTIONS AND THEIR OPINIONS

The Directors (including the independent non-executive Directors, but excluding the Directors who shall abstain from voting on the relevant resolution) are of the view that the 2026 Information Technology Services Framework Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the proposed annual caps for such transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Jin Bin, Mr. Zu Jing, Mr. Xing Yonggang and Mr. Ma Yue hold management, full-time external director or other positions in CNPGC. Therefore, they are deemed to have material interests in the transactions contemplated under the 2026 Information Technology Services Framework Agreement, and thus have abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transactions and is required to abstain from voting on the relevant resolution at the Board meeting.

V. HONG KONG LISTING RULES IMPLICATIONS

CNPGC is the ultimate controlling shareholder of the Company, therefore, CNPGC and its subsidiary, Sinopharm Digital Technology, are connected persons of the Company under the Hong Kong Listing Rules. The 2026 Information Technology Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under the 2026 Information Technology Services Framework Agreement exceed 0.1% but are less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

VI. GENERAL INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in the distribution of pharmaceutical products, medical devices and health products, operation of retail pharmacies and production and sale of chemical reagents.

Sinopharm Digital Technology

Sinopharm Digital Technology is a company established on 18 December 2023 under the laws of the PRC with limited liability and is a wholly-owned subsidiary of CNPGC with the registered capital of RMB80 million. Sinopharm Digital Technology is principally engaged in cloud-network infrastructure and model computing power services, and other types of information technology services (including but not limited to technical services, technical development, technical consulting, technical transfer, technical promotion, software development, information consulting services, information system integration services, big data services and business training).

VII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

"2026 Information Technology Services Framework Agreement"	the information technology services framework agreement entered into between the Company and Sinopharm Digital Technology on 27 October 2026 in relation to the provision of cloud-network infrastructure and model computing power services, and other types of information technology services by Sinopharm Digital Technology to the Group
"applicable percentage ratio(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board"	the board of directors of the Company
"CNPGC"	China National Pharmaceutical Group Corporation (**中國醫藥集團有限公司**), a state wholly-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company
"Company"	Sinopharm Group Co. Ltd. (**國藥控股股份有限公司**), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Hong Kong Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries or (where the context requires) any of them
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, which for the purpose of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan Province
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	the shareholders of the Company

"Sinopharm Digital Technology"	Sinopharm Digital Technology (Beijing) Co., Ltd. (國藥數字科技(北京)有限公司), a company incorporated under the laws of the PRC with limited liability

By order of the Board
Sinopharm Group Co. Ltd.
Jin Bin
Chairman

Shanghai, the PRC
27 October 2026

As at the date of this announcement, the executive Directors are Mr. Lian Wanyong and Mr. Yang Binghua; the non-executive Directors are Mr. Jin Bin, Mr. Chen Qiyu, Mr. Zu Jing, Mr. Xing Yonggang, Mr. Ma Yue, Mr. Chen Yuqing, Mr. Wen Deyong and Ms. Li Ying; and the independent non-executive Directors are Mr. Li Peiyu, Mr. Wu Tak Lung, Mr. Yu Weifeng, Mr. Shi Shenghao and Mr. Chen Weiru.