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雲白國際有限公司
YNBY International Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 00030)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
2026 FRAMEWORK AGREEMENT

2026 FRAMEWORK AGREEMENT

Reference is made to the Announcement and the Circular in relation to the Existing Framework Agreement.

As the Existing Framework Agreement will expire on 14 May 2026 and the Company expects to continue to conduct certain transactions thereunder upon the expiry of such agreement, the Company and Yunnan Baiyao Group entered into the 2026 Framework Agreement on 18 March 2026 to renew the Existing Framework Agreement for a term commencing on the Effective Date and ending on the third anniversary of the Effective Date. The terms of the 2026 Framework Agreement are substantially the same as the Existing Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yunnan Baiyao Group, together with Yunbaiyao Hong Kong, are the controlling shareholders of the Company holding 6,947,920,856 Shares, representing approximately 72.85% of the issued share capital of the Company. As Yunnan Baiyao Group is a connected person of the Company, the implementation of the transactions contemplated under the 2026 Framework Agreement constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps under the 2026 Framework Agreement exceeds 5%, the implementation of the transactions contemplated under the 2026 Framework Agreement are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into the 2026 Framework Agreement and the transactions contemplated thereunder are therefore subject to the approval by the Independent Shareholders at the AGM/SGM.

GENERAL

The Independent Board Committee has been established to give recommendations to the Independent Shareholders regarding the terms of the 2026 Framework Agreement. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The AGM/SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the execution of the 2026 Framework Agreement and the transactions contemplated thereunder.

A circular containing, inter alia, (i) a letter of advice from the Independent Financial Adviser in relation to the terms and conditions of the 2026 Framework Agreement; (ii) a recommendation from the Independent Board Committee in relation to the terms and conditions of the 2026 Framework Agreement; and (iii) a notice of the AGM/SGM is expected to be despatched to the Shareholders on or before 24 April 2026. However, the Company may not be able to despatch the circular within such period if additional time is required to finalize the circular, in which case the Company will issue further announcement regarding the expected despatch date of the circular in due course.

2026 FRAMEWORK AGREEMENT

On 18 March 2026, the Company and Yunnan Baiyao Group entered into the 2026 Framework Agreement to renew the existing continuing connected transactions, the principal terms of which are set out below:

Date 18 March 2026

Parties (i) The Company; and
(ii) Yunnan Baiyao Group

Term Subject to the fulfilment of the condition precedent as stated below, the term of the 2026 Framework Agreement shall be for a period of three years commencing on the Effective Date and ending on the third anniversary of the Effective Date.

Subject matter

Pursuant to the 2026 Framework Agreement, (i) Yunnan Baiyao Group agreed to purchase (a) YNBY Products Registration and Promotion Services, and (b) Global Supply Chain Integration Services from the Group; and (ii) the Group agreed to (a) purchase Group Products Registration and Promotion Services from Yunnan Baiyao Group; and (b) purchase and distribute YNBY Products to the overseas markets.

YNBY Products Registration and Promotion Services

The Group will (i) assist Yunnan Baiyao Group on the registration of YNBY Products pursuant to the relevant overseas regulatory and registration requirements; (ii) assist Yunnan Baiyao Group on intellectual property registration of YNBY Products; (iii) provide overseas marketing services for YNBY Products; and (iv) provide overseas market expansion services to Yunnan Baiyao Group.

Global Supply Chain Integration Services

The Group will provide Global Supply Chain Integration Services to Yunnan Baiyao Group, under which the Group will assist Yunnan Baiyao Group to source and integrate raw materials worldwide, including but not limited to, the procurement of overseas plantation and breeding resources (海外種植養殖資源), medical herbs and plant extracts, medical intermediates, cosmeceutical products, food ingredients, biologics and packaging materials.

Group Products Registration and Promotion Services

Yunnan Baiyao Group will (i) assist the Group on the registration of Group Products in the PRC pursuant to the relevant PRC regulatory and registration requirements; (ii) assist the Group on intellectual property registration of Group Products; (iii) provide PRC marketing services for Group Products; and (iv) provide PRC market expansion services to the Group.

YNBY Products Purchase and Distribution

The Group will act as a distributor of Yunnan Baiyao Group and will purchase and distribute YNBY Products in overseas markets.

Pricing policy

Under the YNBY Products Registration and Promotion Services, based on the Group's market research and after discussions with Yunnan Baiyao Group, the Parties agree that the Group will determine the service fee based on the expected costs incurred by the Group, e.g. actual costs incurred and/or prevailing market prices obtained from third-party service providers, plus a 10-15% mark-up for the Group being the agent to monitor the process and to ensure service quality. The market research conducted by the Group includes obtaining quotations from Independent Third Parties that provide services similar to the YNBY Products Registration and Promotion Services. Upon comparing the quotations with the costs of the YNBY Products Registration and Promotion Services and the historical transactions of the Group, the Group noted that the relevant service providers typically charge a service fee with a mark-up of between 10% and 15% on top of the costs, including but not limited to overhead expenses, labour cost, and registration fees imposed by the relevant authorities. The service fees shall be no less favourable than the service fees offered to/from other Independent Third Parties under the same terms and conditions and in compliance with the relevant laws and regulations in the PRC and Hong Kong.

Under the Global Supply Chain Integration Services, the Group will act as principal, but not an agent to source and procure raw materials for Yunnan Baiyao Group and will subsequently sell the raw materials to Yunnan Baiyao Group, who will acquire ownership over the raw materials. The Group will determine the selling price of the raw materials to be sold to Yunnan Baiyao Group based on prevailing market conditions and the pricing from third-party customers, and will earn the difference between the cost of acquiring the raw materials and the selling price of the raw materials to Yunnan Baiyao Group. The Group will, on a regular basis, review the cost of acquiring the raw materials and the price for selling to Independent Third Party customers, and ensure the selling price offered to Yunnan Baiyao Group for raw materials is no less favourable than the price for selling the same to Independent Third Party customers. According to the Company's unaudited management accounts for the year ended 31 December 2025, the Company sold approximately HK\$185 million of raw materials to Independent Third Party customers and the difference between the cost of acquiring the raw materials and the selling price of the raw materials sold to Independent Third Party customers was approximately 6%. When procuring the raw materials to be sold to Yunnan Baiyao Group, the Group will only procure such raw materials if the cost of those raw materials is (i) based on the prevailing market price for raw materials of the same kind at the time of the relevant transaction; and/or (ii) determined with reference to two or more quotations or tenders received from Independent Third Parties for raw materials of the same kind.

Under the Group Products Registration and Promotion Services, after discussions with Yunnan Baiyao Group, the Parties agree that Yunnan Baiyao Group will determine the service fee charged to the Group which is calculated on the basis of the anticipated cost to be borne by Yunnan Baiyao Group, together with certain mark-up for Yunnan Baiyao Group's role as agent in overseeing the process and safeguarding service quality. The service fees shall be no less favourable than the service fees offered to/from other Independent Third Parties under the same terms and conditions and in compliance with the relevant laws and regulations in the PRC and Hong Kong.

Under the YNBY Products Purchase and Distribution arrangement, the Group will act as a distributor of Yunnan Baiyao Group and will purchase and distribute YNBY Products from Yunnan Baiyao Group in overseas markets. The pricing of such YNBY Products is (i) based on the prevailing market price of products of the same kind at the time of the relevant transaction; and/or (ii) determined with reference to two or more quotations or tenders received from Independent Third Parties for products of the same kind.

The Group shall only approve the relevant transactions in respect of the Group Products Registration and Promotion Services and YNBY Products Purchase and Distribution if the price payable by the Group will be on normal commercial terms or better, and on terms no less favourable to the Group than those available from Independent Third Parties and is fair and reasonable and in the interest of the Shareholders as a whole.

Payment terms

For each transaction contemplated under the 2026 Framework Agreement, the Parties will enter into a separate agreement to set out the payment terms for the relevant transaction by reference to the terms of the 2026 Framework Agreement.

Condition precedent

The 2026 Framework Agreement will only be effective upon the passing of the necessary resolutions at the AGM/SGM to approve the execution of the 2026 Framework Agreement and the transactions contemplated thereunder.

Historical transaction amounts

	Actual transaction amount for the year ended 31 December 2025 (unaudited) (HK\$)	Actual transaction amount for the year ended 31 December 2024 (audited) (HK\$)	Actual transaction amount for the nine months ended 31 December 2023 (audited) (HK\$)
<i>Services/Products purchased by Yunnan Baiyao Group</i>			
YNBY Products Registration and Promotion Services	–	–	9,200,000
Global Supply Chain Integration Services	191,617,197	182,821,804	56,493,278
<i>Services/Products purchased by the Group</i>			
Group Products Registration and Promotion Services	–	–	–
YNBY Products Purchase and Distribution	3,813,517	16,585,532	12,510,208

Proposed annual cap and the basis of the annual caps

The following table sets out the proposed annual caps under the 2026 Framework Agreement respectively:

	Proposed annual caps			From 1 January 2029
	From the Effective Date to 31 December 2026 (HK\$)	For the year ending 31 December 2027 (HK\$)	For the year ending 31 December 2028 (HK\$)	to the third anniversary of the Effective Date (HK\$)
<i>Services/Products to be purchased by Yunnan Baiyao Group (the “Framework Sales Agreement”)</i>				
YNBY Products Registration and Promotion Services	12 million	24 million	24 million	12 million
Global Supply Chain Integration Services	140 million	280 million	280 million	140 million
Total	152 million	304 million	304 million	152 million

The proposed annual caps are determined after taking into consideration of, among others, the following:

- (i) the historical transaction amounts between the Parties in respect of the services of the same kind purchased by Yunnan Baiyao Group;
- (ii) ***YNBY Products Registration and Promotion Services:*** The annual caps of the YNBY Products Registration and Promotion Services were also determined based on the expected Yunnan Baiyao Group's financial performance, including the foreign operation income to be generated by the anticipated demand for YNBY Products in the overseas markets and the expected corresponding level of services expenses to be incurred due to the expected foreign operation income generated by the said products, and the Group's understanding that Yunnan Baiyao Group intends to double their efforts to develop overseas markets.
- (iii) ***Global Supply Chain Integration Services:*** The Group expects that sales of raw materials to Yunnan Baiyao Group will grow as Yunan Baiyao Group grows their business, and thus be set at approximately HK\$280 million per annum.

	Proposed annual caps			
	From the Effective Date to 31 December 2026 (HK\$)	For the year ending 31 December 2027 (HK\$)	For the year ending 31 December 2028 (HK\$)	From 1 January 2029 to the third anniversary of the Effective Date (HK\$)
<i>Service/Products to be purchased by the Group (the "Framework Purchases Agreement")</i>				
Group Products Registration and Promotion Services	12 million	24 million	24 million	12 million
YNBY Products Purchase and Distribution	24 million	48 million	48 million	24 million
Total	36 million	72 million	72 million	36 million

The proposed annual caps are determined after taking into consideration of, among others, the following:

- (i) the historical transaction amounts between the Parties in respect of the services of the same kind purchased by the Group;

- (ii) ***Group Products Registration and Promotion Services:*** The annual caps of Group Products Registration and Promotion Services were estimated based on the Group's internal promotion schedule and expected sales to be generated in PRC, which involves obtaining quotations from Independent Third Parties that provide services similar to the Group Products Registration and Promotion Services; and
- (iii) ***YNBY Products Purchase and Distribution:*** The annual caps of YNBY Products Purchase and Distribution were estimated based on the volume of sales of YNBY Products which the Group is expected to procure based on the Group's business plan for the expansion of market shares of YNBY Products in the overseas markets; and the market trend and demand for products that share similar nature and uses with YNBY Products for the upcoming three years.

Reasons for and benefits of entering into the 2026 Framework Agreement

Yunnan Baiyao Group is an established pharmaceutical company specialized in, among others, Chinese medicine, health products and herbal medicine. Yunnan Baiyao Group's operations also cover the entire supply chain ranging from the research and development, cultivation, extraction, laboratory testing, sourcing, distribution, logistics, import and export. Leveraging on Yunnan Baiyao Group's expertise and reputation in the PRC, the Company is of the view that, by strategically cooperating with Yunnan Baiyao Group in the sales and distribution of each other's products, it will enhance the Group's influence and brand recognition in the PRC, which is essential to the future expansion of the Group's business. Yunnan Baiyao Group shall benefit from the Group's international trading expertise and be able to expand its market share in the overseas markets, which in turn will enhance Yunnan Baiyao Group's reputation overseas.

In light of the above, the Board (excluding the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser to the Independent Board Committee) considers that the terms of the 2026 Framework Agreement (including the relevant proposed annual caps) are (i) fair and reasonable, (ii) on normal commercial terms or better and in the ordinary course of business of the Group, and (iii) in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Company has adopted the following measures with respect to the transactions contemplated under the 2026 Framework Agreement in order to further safeguard the interests of the Shareholders:

- (i) the Group's Internal Audit Department will supervise and monitor the individual agreements to be entered into between the Group and the Yunnan Baiyao Group to ensure they will be entered into in accordance with the pricing policy under the 2026 Framework Agreement;

- (ii) the Group's Finance Department will review and compare at least two quotes from Independent Third Parties with the service fees to be charged under the Framework Sales Agreement and the pricing of Group Products Registration and Promotion Services and YNBY Products under the Framework Purchases Agreement when determining whether the relevant service fees and pricings are fair and reasonable;
- (iii) the Group's Finance Department will monitor the transaction amounts under the Framework Sales Agreement and the Framework Purchases Agreement by preparing designated management accounts for the continuing connected transactions therein on a regular basis to make sure that the actual contract amounts do not exceed the relevant annual caps;
- (iv) before entering into any individual agreements, the Group's Finance Department will assess whether the contract value of such individual agreement together with actual contract amounts (based on the latest monthly designated management accounts for continuing connected transactions) will exceed the proposed annual caps for relevant periods;
- (v) during its annual audit, the Company will engage its auditors to review the continuing connected transactions to ensure that the transactions under the 2026 Framework Agreement have been approved by the Board and conducted in accordance with the pricing policies, the terms of such agreement and the caps thereunder; and
- (vi) the independent non-executive Directors will also review the continuing connected transactions under the 2026 Framework Agreement and on an annual basis confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies.

INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company. The Group is principally engaged in trading of goods and commodities.

Yunnan Baiyao Group

Yunnan Baiyao Group is a joint-stock company established in the PRC. The A-shares of Yunnan Baiyao Group are listed on the Shenzhen Stock Exchange with stock code: 000538. The principal businesses of Yunnan Baiyao Group include pharmaceutical products, health products, Chinese medicine resources and pharmaceutical logistics. As at the date of this announcement, Yunnan Baiyao Group, together with Yunbaiyao Hong Kong, are the controlling shareholders of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yunnan Baiyao Group, together with Yunbaiyao Hong Kong, are the controlling shareholders of the Company holding 6,947,920,856 Shares, representing approximately 72.85% of the issued share capital of the Company. As Yunnan Baiyao Group is a connected person of the Company, the implementation of the transactions contemplated under the 2026 Framework Agreement constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps under the 2026 Framework Agreement exceeds 5%, the implementation of the transactions contemplated under the 2026 Framework Agreement are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into the 2026 Framework Agreement and the transactions contemplated thereunder are therefore subject to the approval by the Independent Shareholders at the AGM/SGM.

GENERAL

The Independent Board Committee has been established to give recommendations to the Independent Shareholders regarding the terms of the 2026 Framework Agreement. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The AGM/SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the execution of the 2026 Framework Agreement and the transactions contemplated thereunder.

A circular containing, inter alia, (i) a letter of advice from the Independent Financial Adviser in relation to the terms and conditions of the 2026 Framework Agreement; (ii) a recommendation from the Independent Board Committee in relation to the terms and conditions of the 2026 Framework Agreement; and (iii) a notice of the AGM/SGM is expected to be despatched to the Shareholders on or before 24 April 2026. However, the Company may not be able to despatch the circular within such period if additional time is required to finalize the circular, in which case the Company will issue further announcement regarding the expected despatch date of the circular in due course.

DEFINITIONS

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

“2026 Framework Agreement”	the framework agreement entered into between Yunnan Baiyao Group and the Company on 18 March 2026, pursuant to which (i) Yunnan Baiyao Group agreed to purchase (a) YNBY Products Registration and Promotion Services, and (b) Global Supply Chain Integration Services from the Group; and (ii) the Group agreed to (a) purchase Group Products Registration and Promotion Services from Yunnan Baiyao Group; and (b) purchase and distribute YNBY Products in overseas markets
“AGM/SGM”	the annual general meeting or the special general meeting of the Company to be convened for the purpose of, amongst other things, approving the execution of the 2026 Framework Agreement and the transactions contemplated thereunder
“Announcement”	announcement of the Company dated 13 December 2022 in relation to the entering of the Existing Framework Agreement
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Circular”	the circular of the Company dated 27 April 2023 in relation to the entering of the Existing Framework Agreement
“Company”	YNBY International Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange with stock code 30
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Effective Date”	the date of the AGM/SGM on which the 2026 Framework Agreement becomes effective
“Existing Framework Agreement”	the agreement dated 13 December 2022 entered into between the Company and Yunnan Baiyao Group in relation to the provision of product registration, supply chain, and professional services, and the mutual cross-distribution of products

“Global Supply Chain Integration Services”	the provision of services by the Group to Yunnan Baiyao Group to source and integrate raw materials worldwide, including but not limited to, overseas plantation and breeding resources (海外種植養殖資源), medical herbs and plant extracts, medical intermediates, cosmeceutical products, food ingredients, biologics and packaging materials
“Group”	the Company and its subsidiaries
“Group Products”	healthcare and food products manufactured by the Group or any authorized manufacturer of the Group
“Group Products Registration and Promotion Services”	(i) registration of Group Products in the PRC pursuant to the relevant PRC regulatory and registration requirements; (ii) intellectual property registration of Group Products; (iii) PRC marketing services for Group Products; and (iv) PRC market expansion services provided to the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely, Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang, which was established to make a recommendation regarding the terms of the 2026 Framework Agreement
“Independent Financial Adviser”	Red Sun Capital Limited, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the 2026 Framework Agreement
“Independent Shareholders”	the Shareholders other than (a) Yunnan Baiyao Group, Yunbaiyao Hong Kong and their respective associates, and (b) any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the execution of the 2026 Framework Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	Yunnan Baiyao Group and the Company, each a “Party”
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“YNBY Products”	including but not limited to medical products, medical machineries, chemical products, and industrial products manufactured by Yunnan Baiyao Group
“YNBY Products Purchase and Distribution”	the Group will act as a distributor of Yunnan Baiyao Group and will purchase and distribute YNBY Products in overseas markets
“YNBY Products Registration and Promotion Services”	(i) overseas registration of YNBY Products pursuant to the relevant overseas regulatory and registration requirements; (ii) intellectual property registration of YNBY Products; (iii) overseas marketing services for YNBY Products; and (iv) overseas market expansion services provided to Yunnan Baiyao Group
“Yunbaiyao Hong Kong”	Yunbaiyao Hong Kong Co., Limited (雲白藥香港有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Yunnan Baiyao Group
“Yunnan Baiyao Group”	Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司), a joint stock company established in the PRC with limited liability (shares of which are listed on the Shenzhen Stock Exchange with stock code 000538)

By Order of the Board
YNBY International Limited
Tang Ming
Executive Director
&
Chief Executive Officer

Hong Kong, 18 March 2026

As at the date of this announcement, the executive Directors are Mr. Dong Ming (Chairman), Mr. Tang Ming (Chief Executive Officer) and Mr. Liu Huaiyu; the non-executive Directors are Mr. He Tao and Mr. Huang Bin and the independent non-executive Directors are Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang.