TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED
(Formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited)
(Company Registration No.91120000103100784F)
(Incorporated in the People's Republic of China)

RESOLUTIONS PASSED AT THE 9TH BOARD MEETING FOR FY2022

The board of directors (the "Board") and every individual director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the "Company") hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

The Company had, on 8 November 2022, duly convened its 9th Board meeting for the financial year ending 31 December 2022 ("**FY2022**") by means of live meeting and telephone conference. The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company, and the following resolution was discussed and passed by the 7 directors out of the full board of 7 directors:

1. That, the proposed appointment of Ms. Mao Weiwen (毛蔚雯) as a Director of the Company be approved. Please refer to **Appendix 1** to this announcement for her resume.

2. That, the proposed appointment of Ms. Wang Lei (王磊) as a Director of the Company be approved. Please refer to **Appendix 1** to this announcement for her resume.

3. That, the proposed appointment of Mr. Zhu Haifeng (朱海峰) as a Director of the Company be approved. Please refer to **Appendix 1** to this announcement for his resume.

4. That, the proposed adjustments to the implementation plan for the provision of an entrusted loan (委托贷款) of RMB1,200 million by the Company to its wholly-owned subsidiary, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司), be approved. Please refer to the separate announcement made by the Company on 9 November 2022 for further details.

5. That, the proposed entry into the equity transfer agreement (the "**Equity Transfer Agreement**") between the Company and Tianjin Jinlan Group Corporation (天津津兰集团公司) (the "**Vendor**") in relation to the proposed acquisition by the company of the remaining 47.9826% equity interest (the "**Sale Equity**") in Tianjin Da Ren Tang Jingwanhong Pharmaceutical Co., Ltd. (天津达仁堂京万红药业有限公司) ("**Jingwanhong Pharmaceutical**"), a controlled subsidiary of the Company (as determined in accordance with the laws of the People's Republic of China (the "**PRC**")) from the Vendor (the "**Proposed Acquisition**"), be approved. Please refer to the announcement dated 19 September 2022 made by the Company in relation to the resolution passed at the 7th Board meeting for FY2022 and **Appendix 2** to this announcement for further details of the Proposed Acquisition.

   It was agreed by the Board that the Company shall exercise its pre-emptive rights to acquire the Sale Equity from the Vendor for an aggregate consideration of RMB450,000,000 (the "**Consideration**") using the internal resources of the Company, and approved the entry into the Equity Transfer Agreement. The Consideration represents approximately 7.07% of the latest audited net assets of the Company attributable to its parent company.

The Proposed Acquisition does not constitute a related party transaction nor does it constitute a material asset restructuring under the Listing Rules of the Shanghai Stock Exchange (*《上海证券交易所股票上市规则》*). To the best knowledge of the Company, the Vendor does not hold any shareholding interest, directly or indirectly, in the Company and is an independent third party unrelated to any of the Company's directors, chief executive officer (or its equivalent rank) or controlling shareholders (as defined in the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited), and their respective associates (as defined in the Listing Manual). In addition, the relative figures in respect of the Proposed Acquisition computed on the bases (where applicable) set out in Rule 1006 of the Listing Manual do not exceed 5%. As such, the Proposed Acquisition does not constitute an interested person transaction or a disclosable transaction for the purposes of Chapters 9 and 10 of the Listing Manual.

Upon completion of the Proposed Acquisition, the Company will hold 100% equity interest in Jingwanhong Pharmaceutical.

6. That, pursuant to the Company Law and the Articles of Association of the Company, the proposed convening of the 1st extraordinary general meeting of the Company in 2022 (the "**2022 1st EGM**") be approved.

The above resolutions No. 1 to No. 4 shall be tabled for shareholders' approval at the 2022 1st EGM of the Company. The Company will announce the notice of the 2022 1st EGM in due course.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
9 November 2022

APPENDIX 1

RESUMES

1. Resume of Ms. Mao Weiwen (毛蔚雯)

Ms. Mao Weiwen, born in May 1974, a Chinese national, is a senior economist and a certified human resource professional (level 1). Ms. Mao obtained a postgraduate degree in organisation and human resource management from the University of Hong Kong and a MBA degree from Lingnan University. From May 1996 to April 2001, she served as the Secretary to the Youth League Committee of Shanghai Municipal Pharmaceutical Company Limited (上海市医药有限公司). Between April 2001 and March 2009, Ms. Mao successively served as Manager of the Customer Service Department of the Sales Headquarters as well as Manager and Secretary to the Communist Party of China Branch of the Shanghai-West Branch of Shanghai Pharmaceutical Co., Ltd. (上海市医药股份有限公司), Assistant General Manager and Office Director of Shanghai Pharma Co., Ltd. (上药控股有限公司), and General Manager of Shanghai Pharmaceutical Logistics Center Co., Ltd. (上海医药物流中心有限公司). From March 2009 to February 2014, she served as the General Manager of the Human Resources Department of Shanghai Pharmaceutical Holdings Co., Ltd. (上海医药集团股份有限公司) and from March 2014 to May 2021, she was appointed as a Director and Executive Vice President of Shanghai Shengyuan Group (上海盛源集团). During the period from May 2021 to December 2021, Ms. Mao worked as the Human Resources Director of Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("**TPH**") and since December 2021, she has been working as the Chief Human Resources Officer of TPH.

2. Resume of Ms. Wang Lei (王磊)

Ms. Wang Lei, born in August 1971, a Chinese national, is a senior engineer and holds a master's degree and a doctorate degree in engineering. Ms. Wang joined the Company since July 1993 and has successively worked in Darentang Pharmaceutical Factory, the Planning Office of the Chinese Patent Medicine Department of the Company, the Industrial Department of the Company, and Lerentang Pharmaceutical Factory. Between May 2013 and June 2013, she was a member of the Supervisory Committee of the Company, and from June 2014 to March 2018, she successively served as Deputy General Manager and General Manager of the Company. Ms. Wang was appointed a Director of the Company for the period from May 2015 to May 2018. Since March 2018, she successively served as Executive Deputy General Manager, General Manager and Deputy Chairman of Jingwanhong Pharmaceutical. From January 2022 to August 2022, Ms. Wang worked as Deputy General Manager of TPH Marketing Management Center, and since August 2022, she has been serving as General Manager of the Company.

3. Resume of Mr. Zhu Haifeng (朱海峰)

Mr. Zhu Haifeng, born in 1984, a Singaporean, is a Chartered Financial Analyst (CFA) and holds a master's degree in Management Science and Engineering from Stanford University as well as a bachelor's degree in Electrical Engineering from Cornell University. Mr. Zhu has diverse experience in management consulting and the financial and technology industries. He is currently the Director of Long-term Planning in Shopee Singapore, and his prior roles include Operating Partner at Yincubator (a tech VC/incubator), Principal at Boston Consulting Group and Vice President of JPMorgan.

APPENDIX 2

FURTHER DETAILS ON THE PROPOSED ACQUISITION

Pursuant to the letter of intent (the "**LOI**") entered into between the Company and the Vendor on 19 September 2022 in relation to the Proposed Acquisition, the Company has completed the audit and valuation of Jingwanhong Pharmaceutical. The Company and the Vendor have, on 9 November 2022, entered into the Equity Transfer Agreement following further negotiations between them. Further details are set out below.

1. AUDIT AND VALUATION RESULTS

ShineWing Certified Public Accountants LLP (信永中和会计师事务所) and Tongzhi Xinde (Beijing) Assets Appraisal Co., Ltd. (同致信德 (北京) 资产评估有限公司) (the "**Valuer**") have, respectively, issued the "Audit Report on Tianjin Da Ren Tang Jingwanhong Pharmaceutical Co., Ltd. (天津达仁堂京万红药业有限公司) for the period from January to August 2022 (XYZH/2022BJAA20F0002)" and the "Valuation Report on the value of the entire equity interest in Tianjin Da Ren Tang Jingwanhong Pharmaceutical Co., Ltd. (天津达仁堂京万红药业有限公司) in relation to the proposed acquisition of equity interest by Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (Tongzhi Xinde Ping Bao Zi (2022) No. 060071)" (the "**Valuation Report**") for the purposes of the Proposed Acquisition.

The valuation was commissioned by the Company. The valuation benchmark date is 31 August 2022 (the "**Valuation Benchmark Date**"), and the income approach was adopted by the Valuer for the valuation. As at the Valuation Benchmark Date, the book value and the appraised value of the entire equity interest in Jingwanhong Pharmaceutical is RMB256,876,300 and RMB962,458,200, respectively. As at the Valuation Benchmark Date, the book value, the net tangible asset value and the latest available open market value of the Sale Equity is RMB123,255,927.52, RMB122,845,220.69 and RMB461,812,468.27, respectively.

2. PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

2.1 Consideration and Payment Terms

(a) The Consideration of RMB450,000,000 for the Proposed Acquisition was determined after arm's length negotiation between the Company and the Vendor with reference to the appraised value of the entire equity interest in Jingwanhong Pharmaceutical of RMB962,458,200 as at the Valuation Benchmark Date by the Valuer.

(b) As at the date of this announcement, pursuant to the LOI, an aggregate amount of RMB300,000,000 has been paid by the Company to the Vendor as earnest money (the "**Earnest Money**") and an amount of RMB2,069,444.45 has been incurred as fees for possession of the Earnest Money (the "**Earnest Money Possession Fees**"). Pursuant to the Equity Transfer Agreement, the Earnest Money Possession Fees shall be used to off-set against the Consideration payable by the Company. Unless otherwise provided in the Equity Transfer Agreement, the Earnest Money Possession Fees shall be calculated up to and include the date of the Equity Transfer Agreement. Accordingly, the balance amount of the Consideration (i.e., RMB147,930,555.55) payable by the Company to the Vendor shall be the total Consideration (i.e., RMB450,000,000) less the Earnest Money and the Earnest Money Possession Fees.

(c) The Company shall, within five (5) working days upon the satisfaction of all of the following conditions, pay the balance amount of the Consideration (i.e., RMB147,930,555.55) to the Vendor:

(i) completion of the changes required to the industrial and commercial registration of Jingwanhong Pharmaceutical in respect of the Proposed Acquisition; and

(ii) completion of the release of the Equity Pledge (as defined in the LOI) over the Sale Equity and all other necessary formalities in respect of the Proposed Acquisition.

2.2 Arrangements during the Transition Period

(a) For the period between the Valuation Benchmark Date and the date of completion of the changes required to the industrial and commercial registration of Jingwanhong Pharmaceutical in respect of the Proposed Acquisition (the "**Transition Period**"), the profits realised or losses incurred by Jingwanhong Pharmaceutical and the net assets increased or decreased due to any other reasons shall be enjoyed and assumed (as the case may be) by the Company.

(b) During the Transition Period, without the written consent of the Company, the Vendor shall not pledge, place in escrow, entrust operation or create any encumbrance or restriction on the Sale Equity.

2.3 Completion

(a) The rights and obligations attaching to the Sale Equity shall be transferred to the Company from the date of the Equity Transfer Agreement.

(b) The Vendor and the Company shall complete the changes required to the industrial and commercial registration of Jingwanhong Pharmaceutical in respect of the Proposed Acquisition within 5 working days (excluding the review time of the competent authority) after the date of the Equity Transfer Agreement.

2.4 Liability for Breach of Contract

(a) Upon the execution of the Equity Transfer Agreement, except due to *force majeure*, if the Vendor or the Company (as the case may be) fails to perform or promptly or properly perform any of its respective obligations under the Equity Transfer Agreement, or breaches any of its respective representations, warranties or undertakings given under the Equity Transfer Agreement, the defaulting party shall be liable for breach of contract to the non-defaulting party in accordance with the Equity Transfer Agreement. In the absence of provisions in the Equity Transfer Agreement, the defaulting party shall bear corresponding legal liabilities in accordance with applicable laws.

(b) If the Vendor conceals any information in relation to Jingwanhong Pharmaceutical which causes losses to the Company, Jingwanhong Pharmaceutical or the shareholders of the Company, the Vendor shall compensate Jingwanhong Pharmaceutical and the Company for all economic losses.

(c) If the changes required to the industrial and commercial registration of Jingwanhong Pharmaceutical in respect of the Proposed Acquisition fails to be completed within the

specified time limit as provided by the Equity Transfer Agreement due to any reason attributable to the Vendor, the Vendor shall pay liquidated damages to the Company at a daily rate of 0.05% of the total Consideration for each day of delay. The Company is entitled to deduct the aforesaid liquidated damages (if any) from the balance amount of the Consideration payable by the Company to the Vendor.

(d) If the Equity Transfer Agreement is frustrated due to the Vendor's failure in performing or failure in prompt or proper performance of any of its obligations under the Equity Transfer Agreement (including the LOI), the Company is entitled to rescind the Equity Transfer Agreement and the Vendor shall pay liquidated damages of an amount equal to 20% of the Consideration to the Company. If the losses caused to the Company exceed 20% of the Consideration, the Vendor shall compensate the Company for all the losses actually suffered by the Company.

(e) If the Company delays in payment of the balance amount of the Consideration, it shall pay liquidated damages to the Vendor at a daily rate of 0.05% of the balance amount of the Consideration for each day of delay.

(f) If the Equity Transfer Agreement is frustrated due to the Company's failure in performing or failure in prompt or proper performance of any of its obligations under the Equity Transfer Agreement (including the LOI), the Company shall compensate the Vendor for the losses actually suffered by the Vendor.

2.5 Effectiveness of the Equity Transfer Agreement

The Equity Transfer Agreement shall come into effect upon both the respective legal representative or authorised representative of the Company and the Vendor having signed, and affixed the respective company seal of the Company and the Vendor to, the Equity Transfer Agreement.

3. IMPACT ON THE COMPANY

The Proposed Acquisition is in line with the Company's strategic development plan, and upon completion of the Proposed Acquisition, Jingwanhong Pharmaceutical will become a wholly-owned subsidiary of the Company which the Company believes that it would help improve its decision-making efficiency with regard to Jingwanhong Pharmaceutical and reduce management costs and risks. Two of Jingwanhong Pharmaceutical's main products (i.e., Jingwanhong ointment (京万红软膏) and Bi Qi capsules (痹祺胶囊)) are also the main products of the Company's strategy of "Three Cores and Nine Wings (三核九翼)" respectively. The Proposed Acquisition would help the Company focus on the field of "skin wound repair" with Jingwanhong ointment as the main variety which is one of the "Three Cores (三核)", and the field of "rheumatism and bone disease" represented by Bi Qi (痹祺) capsules which is one of the "Nine Wings (九翼)", and would help increase the net profit attributable to the Company's parent company and enhance the overall economic prospects of the Company.

The Proposed Acquisition will not result in any change in the scope of the consolidated financial statements of the Company, nor will it have any material impact on the operation of the Company or be detrimental to the interests of the Company and its minority shareholders.

4. CURRENT STATUS OF THE PROPOSED ACQUISITION

As stated above, the Company and the Vendor have, on 9 November 2022, executed the Equity Transfer Agreement which has become effective on and from the same day.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company at 17 Baidi Road, Nankai District, Tianjin, the PRC, during normal business hours for a period of three (3) months from the date of this announcement:

(a) the Equity Transfer Agreement; and

(b) the Valuation Report.