

**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)

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**PROPOSED ENTRY INTO SERVICE AGREEMENT WITH TIANJIN PHARMACEUTICAL GROUP MARKETING CO., LTD. (天津医药集团营销有限公司)**

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*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” and together with its subsidiaries, the “Group”) 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 Board refers to the announcement dated 19 December 2023 made by the Company on the resolutions passed at the 9<sup>th</sup> Board meeting for the financial year ending 31 December 2023 (the “**FY2023 9<sup>th</sup> Board Meeting**”) in relation to, *inter alia*, the Company’s proposed entry into the Service Agreement (as defined below) with Tianjin Pharmaceutical Group Marketing Co., Ltd. (天津医药集团营销有限公司) (“**TPGM**”) (the “**Announcement**”).

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.*

## **1. OVERVIEW**

- 1.1 In response to the Company's needs for brand promotion and marketing business expansion, the Company proposes to engage TPGM to provide enterprise support services including brand promotion support, information technology support, policy consulting and sales support, and enter into the Enterprise Support Service Agreement (企业支持服务协议) (the “**Service Agreement**”) with TPGM. The contract price shall not exceed RMB6,700,000, representing approximately 0.10% of the Group’s latest audited net tangible assets (“**NTA**”) of RMB6,493,593,000 as at 31 December 2022. The validity term of the Service Agreement shall commence from the date of signing and end on 31 December 2024. The Company intends to finance the Service Agreement through its internal resources.
- 1.2 As at the date of this announcement, TPGM is a wholly-owned subsidiary of the Company’s controlling shareholder, Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) (“**TPH**”). Accordingly, TPGM is an associate<sup>1</sup> of TPH and therefore, TPGM is regarded as an

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<sup>1</sup> As defined under the Listing Manual, “**associate**” means:

- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

interested person of the Company for the purposes of Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited. Consequently, the proposed entry into the Service Agreement between the Company (as an “entity at risk”) and TPGM (as an “interested person”) constitutes an interested person transaction under the Listing Manual.

- 1.3 As at the date of this announcement, the Board comprises nine (9) directors (the “**Directors**”), of which, each of Mr. Guo Min, Ms. Zhang Mingrui and Ms. Wao Weiwen is a key management personnel in TPH (the “**Interested Directors**”). Since TPH is regarded as an interested person of the Company for the purposes of Chapter 9 of the Listing Manual, the Interested Directors have abstained from voting at the FY2023 9<sup>th</sup> Board Meeting in respect of the resolution approving the proposed entry into the Service Agreement, and the remaining six (6) directors (including all the three (3) independent directors of the Company for the time being (the “**Independent Directors**”)) have approved the resolution in relation to the proposed entry into the Service Agreement.

The proposed entry into the Service Agreement does not constitute material asset restructuring pursuant to the laws of the People’s Republic of China (the “**PRC**”), and is therefore not subject to shareholders’ approval.

As further elaborated in paragraph 4 of this announcement, the proposed entry into the Service Agreement constitutes an interested person transaction (as defined under the Listing Manual). However, given that the value of the Service Agreement is less than three per cent. (3%) of the Group’s latest audited NTA, the proposed entry into the Service Agreement is not subject to the disclosure requirements under Chapter 9 of the Listing Manual. For the avoidance of doubt, the Company is making this announcement in accordance with Rules 217 and 703 of the Listing Manual.

## 2. INTRODUCTION

### 2.1 Relationship between TPH, the Company and TPGM

As at the date of this announcement, TPH is the controlling shareholder of the Company holding 42.99% of the total shareholding in the Company, and TPGM is a wholly-owned subsidiary of TPH. As such, TPGM is regarded as an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

### 2.2 Information on TPGM

|                 |   |
|-----------------|---|
| Name of company | : Tianjin Pharmaceutical Group Marketing Co., Ltd. (天津医药集团营销有限公司)                                 |
| Domicile        | : Level 16, JinYao Building, No. 109, Bawei Road, Hedong District, Tianjin (天津市河东区八纬路109号津药大厦16层) |

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(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;

- (b) in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.

Uniform social credit No. : 91120102MABX1F2Q9T

Type of company : Limited liability company (sole proprietorship of a legal person)  
(有限责任公司 (法人独资))

Legal representative : ZHANG Mingrui (张铭芮)

Date of incorporation : 7 September 2022

Registered capital : RMB50,000,000

Business scope : General items: marketing planning; conference and exhibition services; information consulting services (excluding licensed information consulting services); market research (excluding foreign-related research); social surveys (excluding foreign-related surveys); technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; advertising release; advertising design, agency; brand management; business training (excluding licensed training such as educational training, vocational skills training, etc.) (except for items subject to approval in accordance with applicable laws, business activities shall be conducted based on its business licence in accordance with applicable laws)

### **3. THE PRINCIPAL TERMS OF THE SERVICE AGREEMENT**

#### **3.1 Scope of services**

The scope of services are as follows:

- (1) brand promotion support services, including but not limited to for the purposes of promoting corporate culture, corporate value, corporate brand and corporate image internally and externally, as well as brand promotion, product packaging design, conference organisation;
- (2) information technology support services, including but not limited to the collection, compilation and analysis of marketing data in the pharmaceutical industry;
- (3) policy consulting services, including but not limited to the provision of policy interpretation support services;
- (4) sales support services, including but not limited to small business support services, medical support services, business access support services, digital marketing support services; and
- (5) other support services agreed by the Parties.

#### **3.2 Service fees**

- (1) The Company shall pay the service fees to TPGM based on the total cost incurred by TPGM in providing the services under the Service Agreement.

- (2) During the term of the Service Agreement, the total service fees payable by the Company shall not exceed RMB6,700,000.
- (3) The service fees rate chargeable by TPGM shall not deviate from the prevailing market rate, and TPGM shall provide the Company with calculation sheets and debit notices as supporting documents for the service fees.
- (4) The total service fees payable by the Company comprises the actual costs and expenses incurred by TPGM, a markup of 7% and applicable value-added tax.
- (5) In the second quarter or fourth quarter of every calendar year, TPGM shall provide the Company with a confirmation letter for the services provided by TPGM. Upon confirmation by the Company, the Company shall pay the service fees in RMB to the bank account(s) designated by TPGM.
- (6) The Company has the right to inspect the relevant accounting records and related documents of TPGM at any time for the purpose of ensuring that the service fees are calculated correctly.

### **3.3 Term and termination**

The Service Agreement shall take effect from the Effective Date (as defined therein) and continue in force until 31 December 2024, unless and until earlier terminated by either Party by giving the other Party three (3) months' prior written notice.

### **3.4 No assignment**

Unless otherwise stated in the Service Agreement, no Party shall assign or transfer all or part of its rights or obligations under the Service Agreement without the prior written consent of the other Party.

### **3.5 Governing law**

The Service Agreement is governed by, and shall be interpreted in accordance with, the laws of the PRC.

## **4. CHAPTER 9 OF THE LISTING MANUAL**

4.1 Rule 905(1) of the Listing Manual provides that an issuer must make an immediate announcement of any interested person transaction (as defined in the Listing Manual) of a value equal to, or more than, three per cent. (3%) of the group's latest audited NTA, and Rule 905(2) provides that if the aggregate value of all transactions entered into with the same interested person (as defined in the Listing Manual) during the same financial year amounts to three per cent. (3%) or more of the group's latest audited NTA, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 905(3) of the Listing Manual, Rule 905(1) and (2) do not apply to any transaction below S\$100,000.

4.2 As disclosed in paragraph 1.2 of this announcement, as at the date of this announcement, TPGM is a wholly-owned subsidiary of TPH, being the controlling shareholder of the Company. Accordingly, TPGM is an associate of TPH and therefore, TPGM is regarded as an interested

person of the Company for the purposes of Chapter 9 of the Listing Manual, and the proposed entry into the Service Agreement constitutes an interested person transaction under the Listing Manual.

As disclosed in paragraph 1.1 of this announcement, the contract price of the Service Agreement of not more than RMB6,700,000, being the amount at risk to the Company, represents approximately 0.10% of the Group's latest audited NTA of RMB6,493,593,000 as at 31 December 2022 which is less than the threshold of three per cent. (3%). Accordingly, the proposed entry into the Service Agreement constitutes an interested person transaction which is not subject to the disclosure requirements under Chapter 9 of the Listing Manual.

- 4.3 For the avoidance of doubt, for the current financial year beginning 1 January 2023 up to the date of this announcement (the “**Relevant Period**”), save for the proposed entry into the Service Agreement, there are no other interested person transactions (excluding transactions less than S\$100,000) that were or are proposed to be entered into by the Company with TPGM.

Further, save for transaction(s) which has been approved by shareholders of the Company, or is the subject of aggregation with another transaction that has been approved by shareholders of the Company, the total value of all interested person transactions (excluding transactions which are less than S\$100,000) entered into between TPH and/or its associates on the one hand and the Company, its subsidiaries and/or associated companies (which are considered to be an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual) on the other hand for the Relevant Period is approximately RMB101,288,171, representing approximately 1.56% of the Group's latest audited NTA of RMB6,493,593,000 as at 31 December 2022. Such transactions comprise (i) the acquisition of 15% equity interest in Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司) through a public bidding (公开摘牌) process for a consideration of RMB87,823,860, (ii) the proposed entry into the Service Agreement of a contract value of not more than RMB6,700,000, and (iii) the proposed entry into the two (2) Construction Contracts for Tianjin Small Construction Project (天津市小型建设工程施工合同) with Tianjin Pharmaceutical Design Institute Co., Ltd. (天津市医药设计院有限公司) of an aggregate contract value of RMB6,764,311.

## **5. RATIONALE FOR, AND IMPACT OF, THE PROPOSED ENTRY INTO THE SERVICE AGREEMENT**

TPGM, relying on the TPH Group (comprising TPH, its subsidiaries and associated companies) as a platform, has abundant resources and work experience in areas such as marketing system consulting, market research and strategic services, marketing customer construction and management, brand planning and management for pharmaceutical enterprises, and organisation and planning of exhibitions in the pharmaceutical enterprise market. The service fees rate chargeable by TPGM will not deviate from the prevailing market rate and will be based on the supporting documents provided by TPGM. The proposed entry into the Service Agreement would be conducive to providing effective support to the Company's marketing, brand promotion and other efforts.

The proposed entry into the Service Agreement would not be detrimental to the interests of the Company and its minority shareholders and will not affect the Company's independence.

## **6. DECISION-MAKING PROCESS FOR THE PROPOSED ENTRY INTO THE SERVICE AGREEMENT**

## 6.1 Board meeting

On 18 December 2023, the Company duly convened its FY2023 9<sup>th</sup> Board Meeting, and the Board considered and approved the proposed entry into the Service Agreement as an interested person transaction. The Interested Directors (i.e., Mr. Guo Min, Ms. Zhang Mingrui and Ms. Wao Weiwen) have abstained from voting at the said Board meeting in respect of the resolution approving the proposed entry into the Service Agreement, and the remaining six (6) directors (including all three (3) Independent Directors) have approved the resolution in relation to the proposed entry into the Service Agreement.

## 6.2 Opinions from the Independent Directors

In accordance with relevant laws and regulations including the *Listing Rules of the Shanghai Stock Exchange* (《上海证券交易所股票上市规则》), the Independent Directors have given their opinions on the resolution in relation to the proposed entry into the Service Agreement as an interest person transaction as follows:

- (a) the convening and voting procedures of the FY2023 9<sup>th</sup> Board Meeting comply with relevant laws and regulations, as well as the Articles of Association of the Company, and the Interested Directors have abstained from voting on the resolution approving the proposed entry into the Service Agreement;
- (b) the proposed entry into the Service Agreement adheres to the principles of equality, free will and mutual benefit, and neither affects the independence of the Company nor the interests of the Company and its minority shareholders; and
- (c) the contents of the Service Agreement are legal and valid, and not in violation of any mandatory provisions of laws, regulations and normative documents which are currently in force.

## 7. PREVIOUS TRANSACTIONS

In accordance with the PRC laws including the listing rules of the Shanghai Stock Exchange, save for (i) the transactions entered into by the Company with the TPH Group (comprising TPH, its subsidiaries and associated companies) relating to labour services and house leasing with an aggregate value of RMB37,822,400, representing approximately 0.58% of the Company's latest audited net assets attributable to its parent company, (ii) the subscription of shares in NewScen Coast Bio-Pharmaceutical Co., Ltd. (天津中新科炬生物制药股份有限公司), a controlled subsidiary (as determined in accordance with the laws of the PRC) of the Company and a joint investment<sup>2</sup> with TPH, with an aggregate value of RMB52,800,000, representing approximately 0.81% of the Company's latest audited net assets attributable to its parent company, (iii) the acquisition of 15% equity interest in Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司)<sup>3</sup> through a public bidding (公开摘牌) process at a consideration of RMB87,823,860, representing approximately 1.35% of the Company's latest audited net assets attributable to its parent company, and (iv) the proposed entry into the two (2) Construction

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<sup>2</sup> As at the date of this announcement, TPH and the Company respectively holds 1.94% and 64.09% of the total shareholding in NewScen Coast Bio-Pharmaceutical Co., Ltd. (天津中新科炬生物制药股份有限公司).

<sup>3</sup> As at the date of this announcement, TPH and the Company respectively holds 50% and 30% of the total shareholding in Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司).

Contracts for Tianjin Small Construction Project (天津市小型建设工程施工合同) with Tianjin Pharmaceutical Design Institute Co., Ltd. (天津市医药设计院有限公司) of an aggregate contract value of RMB6,764,311, representing approximately 0.10% of the Company's latest audited net assets attributable to its parent company, there were no other related party transactions (excluding transactions conducted under the general shareholders' mandate) over the past twelve (12) months up to the date of this announcement.

**By Order of the Board**

Jiao Yan  
Secretary to the Board of Directors  
19 December 2023