

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)

PROPOSED DISPOSAL OF THE REMAINING 12% EQUITY INTEREST IN TIANJIN TSKF PHARMACEUTICAL CO., LTD. (中美天津史克制药有限公司) TO HALEON CHINA CO., LTD. AND HALEON CH SARL, AND ENTRY INTO AN EQUITY TRANSFER AGREEMENT IN RELATION THERETO

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.

Key Highlights of the Proposed DRT Disposal:

All capitalised terms used below, unless otherwise defined, shall have the same meanings ascribed to them in this announcement.

- The Company proposes to transfer its 4.6% and 7.4% equity interests in the Target Company to HALEON China and HALEON CH SARL, respectively, for a consideration of RMB622,328,888.89 and RMB1,001,137,777.78. Based on the Company's preliminary estimates, the Proposed DRT Disposal is expected to result in a gain on disposal of approximately RMB1.54 billion for the current financial period, after deducting the investment book value.
- The Proposed DRT Disposal does not constitute an interested person transaction under Chapter 9 of the Listing Manual, nor does it constitute a significant transaction under Chapter 10 of the Listing Manual, or a material asset restructuring under applicable PRC laws and regulations. However, it is subject to Shareholders' approval at a general meeting of the Company pursuant to the SSE Listing Rules.
- The Proposed DRT Disposal is also conditional upon, *inter alia*, the approval of the board and/or shareholders of the relevant counterparties, as well as the fulfilment of the applicable regulatory requirements in respect of equity transfers in the PRC, including payment settlement and the completion of registration procedures for the transfer of ownership.
- **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Further details of the Proposed DRT Disposal are set out below.

1. OVERVIEW

Tianjin TSKF Pharmaceutical Co., Ltd. (中美天津史克制药有限公司) (the “**Target Company**”) is a limited liability company incorporated in the People's Republic of China (the “**PRC**”) on 23

September 1984. As at the date of this announcement, the Target Company is an investee company of the Company, and its shareholders are Haleon UK Services Limited (**"Haleon UK"**), Haleon China Co., Ltd. (赫力昂 (中国) 有限公司) (**"Haleon China"**) and the Company, holding 55%, 33% and 12% equity interests in the registered capital of the Target Company, respectively. Further details of the Target Company are set out in paragraph 2.3 of this announcement below.

On 27 September 2024, the Company announced that it had, on the same date, entered into an equity transfer agreement with Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) (**"TPH"**), the controlling shareholder of the Company, and Haleon China, under which the Company transferred a 13% equity interest in the registered capital of the Target Company, which was then an associated company of the Company, to Haleon China for a consideration of RMB1,758,755,555.56 (the **"2024 DRT Disposal"**), while TPH transferred a 20% equity interest in the registered capital of the Target Company to Haleon China for a consideration of RMB2,705,777,777.78 (the **"TPH Disposal"**). The 2024 DRT Disposal was approved by the Board at its 6th Board meeting for the financial year ended 31 December 2024 (**"FY2024"**), and by shareholders of the Company (**"Shareholders"**) at the 2nd extraordinary general meeting of the Company in 2024 held on 22 November 2024. Completion of the 2024 DRT Disposal and the TPH Disposal took place on or around 31 December 2024, following which the Company's equity interest in the Target Company was reduced from 25% to 12% and TPH ceased to hold any equity interest in the Target Company. For further details of the 2024 DRT Disposal, please refer to the Company's announcements dated 27 September 2024, 22 November 2024 and 31 December 2024, as well as the circular dated 7 November 2024.

Following the 2024 DRT Disposal, the Company now proposes to further dispose of its remaining 12% equity interest in the Target Company, comprising:

- (a) a 4.6% equity interest to be transferred to Haleon China (the **"Haleon China Acquiring Equity Interest"**) for a consideration of RMB622,328,888.89 (the **"Haleon China Transfer Price"**); and
- (b) a 7.4% equity interest to be transferred to Haleon CH SARL (**"Haleon CH SARL"**, and together with Haleon China, each a **"Transferee"** and collectively, the **"Transferees"**) (the **"Haleon CH SARL Acquiring Equity Interest"**, and together with the Haleon China Acquiring Equity Interest, the **"Equity Interest"**) for a consideration of RMB1,001,137,777.78 (the **"Haleon CH SARL Transfer Price"**, and together with the Haleon China Transfer Price, the **"Transfer Price"**),

(collectively, the **"Proposed DRT Disposal"**).

On 14 April 2025, the Company convened its 2nd Board meeting for the financial year ending 31 December 2025, during which the Board unanimously approved, amongst others, the Proposed DRT Disposal and the proposed entry into an equity transfer agreement in relation thereto (the **"Equity Transfer Agreement"**). All nine (9) directors of the Company (the **"Directors"**) were present at the meeting.

Subsequently, on 15 April 2025, the Company entered into the Equity Transfer Agreement with the Transferees, pursuant to which the Company agreed to sell, and the Transferees agreed to acquire, the Equity Interest for the Transfer Price.

Upon completion of the Proposed DRT Disposal, the Company will cease to hold any equity interest in the Target Company.

The Proposed DRT Disposal does not constitute an interested person transaction under Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), nor does it constitute a significant transaction under Chapter 10 of the Listing Manual, or a material asset restructuring under the *Administrative Measures for Material Asset Restructurings of Listed Companies* (《上市公司重大资产重组管理办法》).

However, pursuant to Rule 6.1.3(4) of the listing rules of the Shanghai Stock Exchange (the “**SSE Listing Rules**”), a transaction is required to be submitted for shareholders’ approval at a general meeting if the profit derived from the transaction accounts for more than 50% of the audited net profit of the listed company for the most recent financial year, and the absolute amount of such profit exceeds RMB5 million. The profit derived from the Proposed DRT Disposal is expected to be approximately RMB1.308 billion, representing approximately 59% of the audited net profit of the Company for FY2024 (being approximately RMB2.215 billion). Accordingly, the Proposed DRT Disposal is required to be submitted for Shareholders’ approval at a general meeting of the Company in accordance with the SSE Listing Rules.

2. INFORMATION ON HALEON CHINA, HALEON CH SARL AND THE TARGET COMPANY

The information relating to Haleon China, Haleon CH SARL and the Target Company set out in this announcement has been provided by Haleon China, Haleon CH SARL and/or the Target Company. The Company and the Board have not independently verified the accuracy or completeness of such information and accordingly accept no responsibility for the same, other than the accurate reproduction thereof in the proper context in which it is disclosed in this announcement.

2.1 Information on Haleon China

Name of company	: Haleon China Co., Ltd. (赫力昂 (中国) 有限公司)
Registered address	: Room 506, No.1 Shengang Avenue, Lingang New Area, China (Shanghai) Pilot Free-Trade Zone (中国 (上海) 自由贸易试验区临港新片区申港大道1号506室)
Uniform social credit No.	: 91310000336427729B
Type of company	: Limited liability company (wholly-owned by a foreign legal person) (有限责任公司 (外国法人独资))
Legal representative	: GU Haiying (顾海英)
Date of incorporation	: 11 August 2015
Registered capital	: RMB1,951.61 million
Business scope	: General items: sales of Class I medical devices; sales of Class II medical devices; sales of daily necessities; sales of disinfectants (excluding hazardous chemicals); wholesale of cosmetics; sales of chemical products (excluding licenced chemical products); import and export of goods; import and export of technology; procurement agency services; R&D of new material technologies; enterprise management consulting; information consulting services (excluding licenced information consulting

services); market planning and marketing; online sales (excluding sales of goods requiring a licence); sales of food (pre-packaged food only); corporate headquarters management; supply chain management services; health consulting services (excluding medical treatment services); advertising publishing; technical services, technical development, technical consulting, technical exchanges, technology transfer, and technical promotion; wholesale of sports goods and equipment; retail of sports goods and equipment; sales of (pre-packaged) healthcare food (except for the items that subject to approval in accordance with applicable laws, business activities shall be carried out based on its business licence in accordance with applicable laws)

Licensed items: Class II value-added telecommunications services; online sales of food; wholesale of pharmaceuticals; retail of pharmaceuticals; import and export of pharmaceuticals; online information services for pharmaceuticals (for items subject to approval pursuant to applicable laws, the business activities shall be carried out only after obtaining approval from the relevant authorities, and the specific business activities shall be based on the approval documents or permits issued by the relevant authorities)

As at the date of this announcement,

- (i) Haleon China is a wholly-owned subsidiary of Haleon UK¹; and
- (ii) the board of directors of Haleon China comprises Ms. Gu Haiying (顾海英), Ms. Xu Lifang (徐丽芳) and Mr. Zhao Wenfeng (赵文峰).

To the best of the Company's Directors' knowledge, Haleon China and its controlling shareholder(s) are not related to any of the Company's Directors, controlling shareholder(s)², chief executive officer or their respective associates³. Based on the latest information available

¹ Haleon UK, a private limited company incorporated in England on 26 September 2014 and existing under the laws of England and Wales, is an investment holding company and business services provider under Haleon plc.

² In this announcement, "**controlling shareholder**" has the meaning ascribed to it under the Listing Manual and refers to a person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company. For the purposes of this definition, "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

³ In this announcement, "**associate**" has the meaning ascribed to it under the Listing Manual and refers to:

- (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
 - (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

to the directors of the Haeon China and as at the date of this announcement, Haeon China has confirmed to the Company that it does not have any shareholding interest, direct or indirect, in the Company.

2.2 Information on Haeon CH SARL

Name of company : Haeon CH SARL

Registered address : Route de l'Etraz, 1197 Prangins, Prangins, Switzerland

Uniform social credit No. : Not applicable

Type of company : Limited liability company

Date of incorporation : 8 May 1991

Business scope : An investment holding company and business services provider under Haeon plc⁴

To the best of the Company's Directors' knowledge, Haeon CH SARL and its controlling shareholder(s) are not related to any of the Company's Directors, controlling shareholder(s), chief executive officer or their respective associates. Based on the latest information available to the directors of Haeon CH SARL and as at the date of this announcement, Haeon CH SARL has confirmed to the Company that it does not have any shareholding interest, direct or indirect, in the Company.

2.3 Information on the Target Company

Name of company : Tianjin TSKF Pharmaceutical Co., Ltd. (中美天津史克制药有限公司)

Registered address : Chenglinzhuang Industrial Zone, Dongli District, Tianjin (天津市东丽区程林庄工业区)

Uniform social credit No. : 9112011060055017XM

Type of company : Limited liability company (Foreign invested, not wholly foreign owned) (有限责任公司 (外商投资、非独资))

Legal representative : GU Haiying (顾海英)

Date of incorporation : 23 September 1984

Registered capital : USD29,940,000

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.

⁴ Haeon plc is a public company limited by shares, incorporated under the laws of England and Wales. The ordinary shares of Haeon plc are listed and traded on the London Stock Exchange with American Depositary Shares listed and traded on the New York Stock Exchange.

Business scope : Licenced items: manufacturing of drugs (excluding the application of steaming, frying, roasting, calcining and other processing techniques for Chinese herbal medicines and the manufacturing of confidential prescription products of Chinese patent medicines); wholesale of drugs; retail of drugs; contract manufacturing of drugs; import and export of drugs; sales of pharmaceutical precursor chemicals; manufacturing of Class II medical devices; Internet information services for drugs (excluding telecommunications company business); sales of food; Internet sales of food; catering services; manufacturing of disinfectants (excluding hazardous chemicals); operation of Class III medical device (for items subject to approval pursuant to applicable laws, the business activities shall be carried out only after obtaining approval from the relevant authorities, and the specific business activities shall be based on the approval documents or permits issued by the relevant authorities)

General items: sales of Class II medical devices; import and export of goods; import and export of food; wholesale of cosmetics; retail of cosmetics; sales of disinfectants (excluding hazardous chemicals); sales of daily necessities; wholesale of sports goods and equipment; retail of sports goods and equipment; sales of outdoor goods; Internet sales (excluding sales of goods requiring a licence); technical services, technical development, technical consulting, technical exchanges, technology transfer, and technology promotion (excluding the development and application of human stem cells, genetic diagnosis and treatment technologies); marketing planning; health consulting services (excluding diagnosis and treatment services); medical research and experimental development (excluding the development and application of human stem cells, genetic diagnosis and treatment technologies) (except for the items that subject to approval in accordance with applicable laws, business activities shall be carried out based on its business licence in accordance with applicable laws) (Investment in sectors prohibited for foreign investment under *Special Management Measures for the Market Entry of Foreign Investment (Negative List)* (外商投资准入特别管理措施 (负面清单) is not permitted)

3. FINANCIAL INFORMATION

3.1 Key Financial Information

(a) Haleon China

The key financial information of Haleon China is set out below:

Items	As at 31 December 2023 (unaudited) ¹ (RMB'000)	As at 31 December 2024 (unaudited) (RMB'000)
Total assets	3,346,474.8	8,329,856.1

Total liabilities	3,267,015.2	6,173,290.1
Net assets	79,459.6	2,156,566.0
Items	January to December 2023 (unaudited)¹ (RMB'000)	January to December 2024 (unaudited) (RMB'000)
Revenue	1,417,353.5	1,527,674.5
Operating profit/(loss)	12,440.9	118,664.2
Total profit	32,301.9	165,540.9
Net profit/(loss)	13,261.6	291,293.0
Net profit/(loss) after deducting non-recurring gains and losses	(648.0)	241,883.4

Note:

- (1) As a result of the adoption of new accounting standards, the financial data presented in this column has been restated in accordance with the new standards and has not been audited.

(b) Haleon CH SARL

The key financial information of Haleon CH SARL is set out below:

Items	As at 31 December 2022 (audited) (CHF'000)	As at 31 December 2023 (audited) (CHF'000)
Total assets	2,122,608	1,981,034
Total liabilities	1,034,884	398,491
Net assets	1,087,724	1,582,543
Items	January to December 2022 (audited) (CHF'000)	January to December 2023 (audited) (CHF'000)
Revenue	1,885,624	1,793,071
Operating profit/(loss)	348,761	319,736
Total profit	356,982	559,982
Net profit/(loss)	325,589	494,818
Net profit/(loss) after deducting non-recurring gains and losses	317,368	254,273

(c) The Target Company

For the purposes of the Proposed DRT Disposal, the Company's management has engaged CAC Certified Public Accountants LLP (中审华会计事务所) ("**CAC**") to conduct an audit on the financial statements of the Target Company and to issue an audit report in relation thereto (the "**Auditors' Report**"). Based on the Auditors' Report dated 18 March 2025, CAC has audited the financial statements of the Target Company, which comprise the balance sheets as at 31 December 2023 and 31 December 2024, along with the income statement, statement of cash flows, statement of changes in owners' equity and accompanying notes to the financial statements for the financial year ended 31 December

2023 (“FY2023”) and FY2024. In CAC’s opinion, the aforementioned financial statements have been prepared, in all material respects, in accordance with the *Accounting System for Business Enterprises* (《企业会计制度》) and fairly present the financial position of the Target Company as at 31 December 2023 and 31 December 2024, as well as its operating results and cash flows for FY2023 and FY2024.

Based on the Auditors’ Report, the key financial information of the Target Company is set out below:

Items	As at 31 December 2023 (audited) (RMB’000)	As at 31 December 2024 (audited) (RMB’000)
Total assets	3,087,843.9	2,752,680.7
Total liabilities	1,720,711.3	1,680,939.7
Net assets	1,367,132.6	1,071,740.9
Items	January to December 2023 (audited) (RMB’000)	January to December 2024 (audited) (RMB’000)
Revenue	3,581,879.3	3,558,857.3
Operating profit/(loss)	1,313,298.6	952,750.0
Total profit	1,309,857.6	950,258.2
Net profit/(loss)	981,655.6	710,959.5
Net profit/(loss) after deducting non-recurring gains and losses	981,655.6	710,959.5

A copy of the Auditors’ Report will be included as an appendix to the Circular (as defined below).

3.2 Independent Valuation

In connection with the Proposed DRT Disposal, the Company’s management has engaged China Enterprise Appraisal Co., Ltd. (北京中企华资产评估有限责任公司) as the independent valuer (the “**Independent Valuer**”) to perform an appraisal on the market value of the total shareholders’ equity of the Target Company.

The appraisal result by income approach was selected by the Independent Valuer for the appraisal conclusion. Based on the asset appraisal report dated 31 March 2025 issued by the Independent Valuer (the “**Asset Appraisal Report**”), as at 31 December 2024 (the “**Appraisal Base Date**”), the Target Company has:

- (i) a total book value of assets amounting to RMB2,752,680,700;
- (ii) a total book value of liabilities amounting to RMB1,680,939,700;
- (iii) a book value of net assets amounting to RMB1,071,740,900; and
- (iv) an appraised value of total shareholders' equity amounting to RMB9,987,064,400, with an appreciation of RMB8,915,323,400 at an appreciation rate of 831.85%.

A summary of the Asset Appraisal Report will be included as an appendix to the Circular.

4. BASIS OF CONSIDERATION

The aggregate consideration for the Equity Interest is RMB1,623,466,666.67 (i.e., the Transfer Price), which was agreed upon after arm's length negotiations between the Company and the Transferees on a "willing buyer, willing seller" basis, and after taking into account prevailing market conditions, the key financial information of the Target Company as set out in paragraph 3.1(c) of this announcement, and the appraisal result as set out in paragraph 3.2 of this announcement. The Transfer Price represents a premium of approximately 35% over the appraised value of the Equity Interest as at the Appraisal Base Date, as assessed by the Independent Valuer.

5. SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

As at the date of this announcement, the shareholding structure of the Target Company is as follows:

No.	Name of Shareholders	Equity Contribution (USD'000)	Shareholding Proportion
1.	Haleon UK	16,467.00	55%
2.	Haleon China	9,880.20	33%
3.	The Company	3,592.80	12%
Total		29,940.00	100%

Upon completion of the Proposed DRT Disposal, the shareholding structure of the Target Company will be as follows:

No.	Name of Shareholders	Equity Contribution (USD'000)	Shareholding Proportion
1.	Haleon UK	16,467.00	55.0%
2.	Haleon China	11,257.44	37.6%
3.	Haleon CH SARL	2,215.56	7.4%
Total		29,940.00	100.0%

6. PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

6.1 Transfer of Equity Interest

Pursuant to the Equity Transfer Agreement:

- (a) The Company agrees to sell the Haleon China Acquiring Equity Interest, free from all Encumbrances⁵ and together with all rights attaching to the Haleon China Acquiring Equity Interest (including all rights to receive dividend in respect of the Haleon China Acquiring Equity Interest as from the Locked Box Date (i.e. 31 December 2024)), to Haleon China in consideration of RMB622,328,888.89 (i.e. the Haleon China Transfer Price) and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement. Haleon China agrees to acquire the Haleon China Acquiring Equity Interest

⁵ As defined under the Equity Transfer Agreement, "Encumbrance" means any mortgage, pledge, lien, assignment by way of security, attachment, seizure or other restriction of transfer, trust arrangement for the purpose of providing security or any other security interest of any kind.

from the Company in consideration of the Haleon China Transfer Price and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement.

- (b) The Company agrees to sell the Haleon CH SARL Acquiring Equity Interest, free from all Encumbrances⁶ and together with all rights attaching to the Haleon CH SARL Acquiring Equity Interest (including all rights to receive dividend in respect of the Haleon CH SARL Acquiring Equity Interest as from the Locked Box Date (i.e. 31 December 2024)), to Haleon CH SARL in consideration of RMB1,001,137,777.78 (i.e. the Haleon CH SARL Transfer Price) and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement. Haleon CH SARL agrees to acquire the Haleon CH SARL Acquiring Equity Interest from the Company in consideration of the Haleon CH SARL Transfer Price and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement.
- (c) The Parties⁷ agree that (i) subject to the Completion of Haleon China Closing (as defined below), no dividend or other distribution (whether in cash or in kind) accrued on the Haleon China Acquiring Equity Interest on or prior to the Closing Date (as defined below) shall be declared, paid or made to the Company, and (ii) subject to the Completion of Haleon CH SARL Closing (as defined below), no dividend or other distribution (whether in cash or in kind) accrued on the Haleon CH SARL Acquiring Equity Interest on or prior to the Closing Date shall be declared, paid or made to the Company.

6.2 Conditions Precedent

Pursuant to the Equity Transfer Agreement:

- (a) Each of the closing of the transfer of the Haleon China Acquiring Equity Interest (the “**Haleon China Closing**”) and the closing of the transfer of Haleon CH SARL Acquiring Equity Interest (the “**Haleon CH SARL Closing**”) shall be subject to the satisfaction of all following conditions (each a “**Condition Precedent**” and collectively the “**Conditions Precedent**”):
 - (i) the general meeting of the Company having reviewed and approved the transfer of the Equity Interest to the Transferees according to the terms and conditions of Equity Transfer Agreement;
 - (ii) the shareholder of Haleon China having reviewed and approved the acquisition of the Haleon China Acquiring Equity Interest by Haleon China according to the terms and conditions of the Equity Transfer Agreement;
 - (iii) the board of directors of Haleon CH SARL having reviewed and approved the acquisition of the Haleon CH SARL Acquiring Equity Interest by Haleon CH SARL according to the terms and conditions of the Equity Transfer Agreement;
 - (iv) the Target Company having completed the change of registration at the SAMR⁸ and obtained the updated business licence of the Target Company with respect to (i) the

⁶ *Ibid.*

⁷ For the purposes of the Equity Transfer Agreement, the “**Parties**” refer collectively to the Company, Haleon China, and Haleon CH SARL, and each a “**Party**”.

⁸ As defined under the Equity Transfer Agreement, “**SAMR**” means the State Administration for Market Regulation or its local delegate, as appropriate.

transfer of the Equity Interest from the Company to the Transferees, (ii) the removal of director nominated by the Company from the board of directors of the Target Company, (iii) the extension of the business term of the Target Company to 30 June 2045 (the “**Extension**”), and (iv) the Amended AOA⁹ (the “**SAMR Registration**”);

- (v) the Target Company having completed the foreign exchange registration and obtained the registration certificate (业务登记凭证) with respect to the Proposed DRT Disposal, and the receiving bank of the Company having completed the examination and approval of cross-border RMB settlement in respect of the Haleon CH SARL Transfer Price (collectively, the “**FDI Registration**”); and
 - (vi) the Company having opened an asset realisation account (资产变现账户) for the purpose of receipt of the Haleon CH SARL Transfer Price, and having provided Haleon CH SARL with the details of such bank accounts in writing.
- (b) If the matter under paragraph 6.2(a)(i) of this announcement fails to be approved by the general meeting of the Company, the Company will not be deemed as in breach of the provision as set out in paragraph 6.2(a)(i) of this announcement and will not be held liable for breach of contract as a result.

6.3 Closing

Pursuant to the Equity Transfer Agreement:

- (a) The Parties agree that notwithstanding the completion of the SAMR Registration, the Closings¹⁰ shall take place at the office of the Target Company on the tenth (10th) Business Day¹¹ after the date on which the last of the Conditions Precedent is satisfied (or at such other place and/or on such other date as the Parties may agree) (the “**Closing Date**”).
- (b) On the Closing Date,
 - (i) the Parties shall cause the Target Company to (i) update its register of shareholders and (ii) issue the capital contribution certificate to Haleon China, in each case upon the Completion of Haleon China Closing, reflecting Haleon China as the owner of the Haleon China Acquiring Equity Interest with effect from the Completion of Haleon China Closing; and
 - (ii) the Parties shall cause the Target Company to (i) update its register of shareholders and (ii) issue the capital contribution certificate to Haleon CH SARL, in each case upon the Completion of Haleon CH SARL Closing, reflecting Haleon CH SARL as the owner of the Haleon CH SARL Acquiring Equity Interest with effect from the Completion of Haleon CH SARL Closing.

⁹ As defined under the Equity Transfer Agreement, “**Amended AOA**” means the articles of association of the Target Company in agreed form as set out in Schedule 1 of the Equity Transfer Agreement.

¹⁰ As defined under the Equity Transfer Agreement, “**Closings**” means Haleon China Closing and Haleon CH SARL Closing, and “**Closing**” means any of them.

¹¹ For the purposes of the Equity Transfer Agreement, “**Business Day**” means day from Monday to Friday, but excluding the statutory (or public) holidays in Beijing, the PRC.

- (c) On the Closing Date,
- (i) subject to the completion of inspection of all the documents required to be delivered on the Closing Date pursuant to paragraph 6.3(b)(i) of this announcement (the confirmation of such inspection result not to be unreasonably withheld or delayed by Haeon China), Haeon China shall pay the Haeon China Transfer Price to the Company in full in one lump sum to the Designated Bank Account (as defined below) for receiving the Haeon China Transfer Price; and
 - (ii) subject to the completion of inspection of all the documents required to be delivered on the Closing Date pursuant to paragraph 6.3(b)(ii) of this announcement (the confirmation of such inspection result not to be unreasonably withheld or delayed by Haeon CH SARL), Haeon CH SARL shall pay the Haeon CH SARL Transfer Price to the Company in full in one lump sum to the Designated Bank Account for receiving the Haeon CH SARL Transfer Price.
- (d) The documents required to be delivered by the Target Company on the Closing Date pursuant to paragraph 6.3(b) of this announcement shall be held by the Company's outside counsel to the order of the Company until such time as Haeon China Closing shall have been completed pursuant to paragraph 6.3(e) of the announcement or Haeon CH SARL Closing shall have been completed pursuant to paragraph 6.3(f) of the announcement (as applicable).
- (e) Subject to the provision as set out in paragraph 6.6(d) of this announcement, simultaneously with delivery of all documents required to be delivered pursuant to paragraph 6.3(b)(i) of this announcement on the Closing Date and the receipt of the Haeon China Transfer Price by the Company, the documents delivered pursuant to paragraph 6.3(b)(i) of this announcement shall cease to be held to the order of the Company and be released automatically, and Haeon China Closing shall have been completed (the **"Completion of Haeon China Closing"**). All documents required to be delivered on the Closing Date pursuant to paragraph 6.3(b)(i) of this announcement shall take effect and only take effect upon the Completion of Haeon China Closing.
- (f) Subject to the provision as set out in paragraph 6.6(d) of this announcement, simultaneously with delivery of all documents required to be delivered pursuant to paragraph 6.3(b)(ii) of this announcement on the Closing Date and the receipt of the Haeon CH SARL Transfer Price by the Company, the documents delivered pursuant to paragraph 6.3(b)(ii) of this announcement shall cease to be held to the order of the Company and be released automatically, and Haeon CH SARL Closing shall have been completed (the **"Completion of Haeon CH SARL Closing"**). All documents required to be delivered on the Closing Date pursuant to paragraph 6.3(b)(ii) of this announcement shall take effect and only take effect upon the Completion of Haeon CH SARL Closing.
- (g) Each Transferee acknowledges and agrees that the Transferees shall be jointly and severally liable for the payment of the Transfer Price payable by either Transferee under the Equity Transfer Agreement; if either Transferee fails to pay the Transfer Price to the Company in full, the Company has the right to require the other Transferee to pay such unpaid Transfer Price on behalf of the non-paying Transferee, and such other Transferee shall transfer an amount equal to such unpaid Transfer Price to the Company as soon as practicable and in any event within ten (10) Business Days after the receipt of the payment request from the Company, and the Haeon China Closing or the Haeon CH SARL Closing

(as applicable) that fails to occur on the Closing Date as a result of such non-payment shall be postponed to the date on which the other Transferee makes such payment in full (in such case, the provisions as set out in paragraphs 6.3(b), 6.3(c), 6.3(d), 6.3(e) and 6.3(f) of this announcement shall remain applicable to such postponed Closing).

- (h) The bank accounts designated by the Company for receiving the Transfer Price payable by each Transferee under the Equity Transfer Agreement (each a “**Designated Bank Account**”) are as follows:

- (i) Designated Bank Account for receiving the HALEON China Transfer Price:

Name of payee : Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

Address of payee : No.17 Baidi Road, Nankai District, Tianjin

Bank : Industrial and Commercial Bank of China Limited, Tianjin Jinzhou Street Sub-branch

Account number : 0302010119300358719

- (ii) Designated Bank Account for receiving the HALEON CH SARL Transfer Price:

Name of payee : Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

Address of payee : No.17 Baidi Road, Nankai District, Tianjin

Bank : Industrial and Commercial Bank of China Limited, Tianjin Jinzhou Street Sub-branch

Account number : 0302010119300358719

6.4 Registration of Transfer

- (a) After the satisfaction of the Condition Precedent set forth as items (i), (ii) and (iii) under paragraph 6.2(a) of this announcement, the Parties shall promptly perform, and the Company shall procure that the incumbent director nominated by the Company to, and the Transferees shall procure HALEON UK and the incumbent directors nominated by HALEON China and HALEON UK to promptly perform any and all actions (including execution and delivery of all such other documents), and complete the SAMR Registration and the FDI Registration (including providing materials required by the receiving bank of the Company for the examination and approval of cross-border RMB settlement in respect of the HALEON CH SARL Transfer Price).
- (b) The Parties further agree that once the Amended AOA takes effect upon the Completion of Closings¹², the governance structure provided in the Amended AOA shall be adopted as the governance structure of the Target Company.

¹² As defined under the Equity Transfer Agreement, “**Completion of Closings**” means the Completion of HALEON China Closing and the Completion of HALEON CH SARL Closing.

- (c) The Parties agree that in the event the SAMR Registration is not completed as of the date which is fifteen (15) Business Days prior to 30 June 2025, each Party agrees to take any and all necessary actions (including passing shareholders resolutions of the Target Company) to complete, and to procure that the Target Company completes, in a timely manner and in any event prior to 30 June 2025, all registrations and filings with relevant PRC authorities, and any other formalities required by applicable laws in connection with the Extension, including, without limitation:
 - (i) the registration and filing of the Extension, and the application for the updated business licence of the Target Company which reflects the Extension, with the SAMR; and
 - (ii) the online reporting of the Extension with the Chinese Ministry of Commerce or its local counterpart (to the extent applicable).

6.5 Representations, Warranties and Undertakings

Pursuant to the Equity Transfer Agreement:

- (a) As of each of execution date of the Equity Transfer Agreement (the “**Execution Date**”) and the Closing Date, each Party hereby represents, warrants and undertakes to the other Parties:
 - (i) it is duly organised, validly existing and in good standing under the laws of the place where it is established, and has full power and authority to enter into the Equity Transfer Agreement and to perform the provisions of the Equity Transfer Agreement;
 - (ii) the Equity Transfer Agreement (once duly executed by such Party) will constitute its legal, valid and binding obligations and will be enforceable against it in accordance with its terms;
 - (iii) its execution, delivery and performance of the Equity Transfer Agreement will not conflict with any oral or written agreement, instrument or understanding to which it is a party or to which it is subject, nor will it violate any law or regulation of any court, government authority, administrative department or other authority that has jurisdiction over it;
 - (iv) it has complied and will at all relevant times comply with all applicable tax filing, information and payment obligations in the PRC and any other relevant jurisdiction in relation to its shareholding (whether current, past or future) in the Target Company (including, without limitation, in relation to any acquisition or disposal thereof, and any returns of any nature therefrom); and
 - (v) (A) it is resident for tax purposes in the place where it is established; and (B) it is not treated for tax purposes in any jurisdiction as resident in any jurisdiction other than the place where it is established.
- (b) As of each of the Execution Date and the Closing Date, the Company hereby represents, warrants and undertakes to each of the Transferees:
 - (i) it is the owner of, and has the full right to transfer the ownership in, the Equity Interest to the Transferees on the terms and conditions set out in the Equity Transfer

Agreement. At the Completion of Haleon China Closing, Haleon China will be the owner of the Haleon China Acquiring Equity Interest, and at the Completion of Haleon CH SARL Closing, Haleon CH SARL will be the owner of the Haleon CH SARL Acquiring Equity Interest, in each case free and clear of any and all Encumbrances;

- (ii) the Equity Interest is free of any Encumbrance; and
 - (iii) the registered capital of the Target Company represented by the Equity Interest has been fully paid up.
- (c) Haleon China represents, warrants and undertakes to the Company:
- (i) there is no willful and gross negligent (A) concealment, (B) omission, (C) false recordation or (D) misleading statement, in each case, with respect to the provision of information and data by Haleon China, its representatives, its Affiliates¹³ or the Target Company to the Company based on the documents and information in the possession of Haleon China, its Affiliates or the Target Company (as the case may be) in connection with the negotiations, execution and performance of the Equity Transfer Agreement; and
 - (ii) it will pay the Haleon China Transfer Price in full in a timely manner as agreed under the Equity Transfer Agreement.
- (d) Haleon CH SARL represents, warrants and undertakes to the Company:
- (i) there is no willful and gross negligent (A) concealment, (B) omission, (C) false recordation or (D) misleading statement, in each case, with respect to the provision of information and data by Haleon CH SARL, its representatives, its Affiliates or the Target Company to the Company based on the documents and information in the possession of Haleon CH SARL, its Affiliates or the Target Company (as the case may be) in connection with the negotiations, execution and performance of the Equity Transfer Agreement; and
 - (ii) it will pay the Haleon CH SARL Transfer Price in full in a timely manner as agreed under the Equity Transfer Agreement.
- (e) In respect of the satisfaction of the Condition Precedent set forth as item (i) under paragraph 6.2(a) of this announcement, the Company shall:
- (i) consult with the Transferees as to any content of the DRTG Circular¹⁴ which references the Transferees or the Target Company, which content shall be subject

¹³ As defined under the Equity Transfer Agreement, “**Affiliate**” means in respect of a Party, any company, joint venture or other business entity controlling, controlled by or under the common control with such Party. For the purposes of this definition, “**control**” means, in respect of a company or other business entity, the direct or indirect ownership of fifty per cent. (50%) or more of shares or interests with the voting right to elect directors of such company or business entity, or otherwise has the ability to cause any entity or individual to control or to have the right to control the board of directors or equivalent management body of such company or other entity, or to direct the management and policies of such company or business entity, which shall include, in respect of any partnership, the status as the general partner of such partnership.

¹⁴ As defined under the Equity Transfer Agreement, “**DRTG Circular**” means the circular to be sent by the Company to its shareholders and containing a notice convening the general meeting of the Company to approve the DRTG Resolution Matters. For the purposes of this definition, “**DRTG Resolution Matters**” means matters to be submitted

to the prior written approval of the Transferees (such approval not to be unreasonably withheld or delayed);

- (ii) as soon as practicable after the Execution Date, finalise the DRTG Circular, obtain the approval of it by the applicable stock exchange(s) and dispatch it to the Company's shareholders, which shall incorporate a unanimous recommendation of the Company's board of directors to vote in favour of the Proposed DRT Disposal by the general meeting of the Company (such recommendation not to be amended, altered, supplemented or revoked once made, except for the amendment, alteration, supplement or revocation due to any requirement of applicable securities regulators or governmental industrial supervisory authorities not resulting from any act or omission by the Company or any person acting on the instruction, or on behalf, of the Company);
 - (iii) convene the general meeting of the Company as soon as possible (and, in any event, within sixty (60) days) after the receipt of the approval of the applicable stock exchange(s) on the DRTG Circular, and in any event to be held no later than 16 June 2025, and hold the general meeting of the Company at the time and date as set out in the convening notice, which shall not be revoked, adjourned or otherwise delayed (except for the revocation, adjournment or delay due to any requirement of applicable securities regulators or governmental industrial supervisory authorities not resulting from any act or omission by the Company or any person acting on the instruction, or on behalf, of the Company); and
 - (iv) propose the DRTG Resolution Matters for voting at the general meeting of the Company.
- (f) If the board of directors of the Company fails to agree to unanimously recommend to vote in favour of the Proposed DRT Disposal by the general meeting of the Company, the Company shall not be deemed as in breach of the provisions as set out in paragraph 6.5(e)(ii) of this announcement and held liable for breach of contract as a result.
- (g) Each Party undertakes to use its best endeavors to fulfil or procure the completion of the SAMR Registration and the FDI Registration as soon as reasonably practicable and in any event no later than on the Long Stop Date¹⁵. Haleon China shall procure, to the extent within its control, that the Target Company completes the SAMR Registration and the FDI Registration as soon as reasonably practicable and in any event no later than on the Long Stop Date, provided that the Company agrees to co-operate in good faith with the Transferees and to provide such information, material or assistance as may be required by the Transferees from time to time in connection with the SAMR Registration and the FDI Registration and to refrain from taking, or omitting to take, any action that may impede the completion of the SAMR Registration and the FDI Registration.

Haleon China undertakes to use its best endeavors to fulfil or procure the fulfilment of the Conditions Precedent set forth as item (ii) under paragraph 6.2(a) of this announcement as soon as reasonably practicable and in any event no later than on the Long Stop Date.

to and resolved on by the general meeting of the Company for approving the Proposed DRT Disposal as set out in paragraph 6.2(a)(i) of this announcement and any other matters required to be approved by such general meeting in order to effect the Proposed DRT Disposal and the other terms and requirements of the Equity Transfer Agreement.

¹⁵ As defined under the Equity Transfer Agreement, "**Long Stop Date**" means 30 November 2025, or such other date as agreed by the Parties.

Haleon CH SARL undertakes to use its best endeavors to fulfil or procure the fulfilment of the Conditions Precedent set forth as item (iii) under paragraph 6.2(a) of this announcement as soon as reasonably practicable and in any event no later than on the Long Stop Date.

The Company undertakes to use its best endeavors to fulfil or procure the fulfilment of the Conditions Precedent set forth as item (vi) under paragraph 6.2(a) of this announcement as soon as reasonably practicable and in any event no later than on the Long Stop Date.

6.6 Termination

Pursuant to the Equity Transfer Agreement:

- (a) If any of the Conditions Precedent as set out under paragraph 6.2(a) of this announcement fails to be satisfied on or before the Long Stop Date, the Equity Transfer Agreement can be terminated by any Party by serving a written notice to the other Parties, provided that, if the failure to satisfy any of the Conditions Precedent on or before the Long Stop Date is due to willful conduct or gross negligence of a Party, such Party shall not be entitled to terminate the Equity Transfer Agreement in accordance with the provisions as set out in this paragraph 6.6, and shall be held liable for breach of contract in accordance with the provision as set out in paragraph 6.7(c) of this announcement, and shall hold the other Parties harmless from any direct loss arising from such breach.
- (b) The Equity Transfer Agreement may be terminated upon mutual agreement of the Parties by entering into a separate written agreement.
- (c) Each Party that is not in breach (such Party, the **"Non-defaulting Party"**) has the right to unilaterally terminate the Equity Transfer Agreement by giving a written notice to a Party in breach (such Party, the **"Defaulting Party"**) if any of the following events occurs in respect of the Defaulting Party, provided that if Haleon China Closing or Haleon CH SARL Closing (as applicable) has been completed, Haleon China or Haleon CH SARL (as applicable) shall not terminate the Equity Transfer Agreement pursuant to this paragraph 6.6(c) unless the Company is the Defaulting Party under paragraph 6.6(c)(ii) or paragraph 6.6(c)(iii) of this announcement:
 - (i) the Transferees fail to pay the Transfer Price agreed under the Equity Transfer Agreement to the Company in full, and the payment is overdue by more than thirty (30) days;
 - (ii) the Defaulting Party is in material breach of the Equity Transfer Agreement (including as a result of any breach of the representations, warranties and undertaking as set out in paragraph 6.5 of this announcement), and to the extent such material breach is curable, fails to properly cure such breach within sixty (60) days after receiving the written notice from the Non-defaulting Party requesting such cure; and/or
 - (iii) the Defaulting Party is insolvent or ceases to exist for any other reason.
- (d) The Parties agree that if any of the Closings fails to take place as a result of the occurrence of any default set forth in item (i) and (ii) under paragraph 6.6(c) of this announcement, (A) in the event that such default is cured by the relevant Defaulting Party within the applicable

cure period in accordance with the provision as set out in paragraph 6.6(c) of this announcement and provided that each Condition Precedent have been satisfied in accordance with the provision as set out in paragraph 6.2(a) of this announcement, such Closing shall be deferred to the third (3rd) Business Day after the date that such default is cured, in which case the provision as set out in paragraphs 6.3(b), 6.3(c), 6.3(d), 6.3(e) and 6.3(f) of this announcement shall still apply to such Closing as so deferred; or (B) in the event that such default is not cured by the relevant Defaulting Party within the applicable cure period in accordance with the provision as set out in paragraph 6.6(c) of this announcement, the Non-defaulting Party has the right to unilaterally terminate the Equity Transfer Agreement in accordance with the provision as set out in paragraph 6.6(c) of this announcement.

- (e) In the event that the Equity Transfer Agreement is terminated prior to the Completion of Closings, to the extent any of the SAMR Registration or the FDI Registration has been completed in respect of the Closing that fails to be completed, the Parties shall promptly take all steps to effect the reversal or revocation of the SAMR Registration and/or the FDI Registration in respect of such Closing carried out in accordance with the Equity Transfer Agreement so as to restore the registration of the Target Company at the SAMR and/or its FDI Registration on an “as-is” basis as if the SAMR Registration or the FDI Registration in respect of such Closing had not been completed.
- (f) The provisions as set out in paragraphs 6.6(e), 6.7(b) and 6.8 of this announcement, as well as clauses in relation to confidentiality and notices under the Equity Transfer Agreement and any other clauses that shall, by virtue of its intention and purpose, continue to be effective after the termination of the Equity Transfer Agreement, shall survive the termination of the Equity Transfer Agreement.

6.7 Liability for Breach of Contract

Pursuant to the Equity Transfer Agreement:

- (a) If any of the Transferees fails to pay the Transfer Price to the Company in full in time, such Transferee who fails to pay the Transfer Price in full shall pay to the Company late payment interest at a daily rate of 0.05% of the overdue amount for each day of delay until the earlier of (i) the Completion of Haeon China Closing and/or the Completion of Haeon CH SARL Closing (as applicable) or (ii) termination of the Equity Transfer Agreement.
- (b) If the Equity Transfer Agreement is unilaterally terminated in accordance with the provision as set out in paragraph 6.6(c) of this announcement, the Defaulting Party shall pay to the Non-defaulting Party liquidated damages equaling to 20% of the relevant Transfer Price that is applicable to the Equity Interest (i.e. 12% equity interest in the Target Company).

The Parties further agree, if the Company is in breach of any representations, warranties or undertakings as set out in paragraphs 6.5(a)(iv) or 6.5(a)(v) of this announcement, the Company shall not be liable for paying the liquidated damages under this paragraph 6.7(b).

- (c) A Party in breach of any provision of the Equity Transfer Agreement shall indemnify and hold harmless the non-breaching Party against all direct losses or damage (including without limitation any tax, penalties or interest as well as legal, financial and other advisor fees) incurred by the non-breaching Party as a result of such breach.

- (d) A Party's failure or delay to exercise any right, power or remedy in relation to the Equity Transfer Agreement (the "**Lawful Right**") shall not constitute a waiver of such Lawful Right, and any exercise or partial exercise of any Lawful Right shall not prevent any additional or further exercise of such Lawful Right or any exercise of any other Lawful Right. The Lawful Right agreed under the Equity Transfer Agreement shall be cumulative and not preclude any other statutory or contractual right.
- (e) The maximum amount for which Haeon China and/or Haeon CH SARL shall be jointly and severally liable for default to the Company in total pursuant to this paragraph 6.7 shall not exceed the relevant Transfer Price applicable to the Equity Interest (i.e. 12% equity interest in the Target Company).
- (f) The maximum amount for which the Company shall be liable to Haeon China pursuant to this paragraph 6.7 shall not exceed the Haeon China Transfer Price, and the maximum amount for which the Company shall be liable to Haeon CH SARL pursuant to this paragraph 6.7 shall not exceed the Haeon CH SARL Transfer Price.
- (g) If either of Haeon China or Haeon CH SARL is, or both of Haeon China and Haeon CH SARL are, liable for any default under the Equity Transfer Agreement, the Transferees shall be jointly and severally liable to the Company (which shall be deemed as the Non-defaulting Party for purposes of this paragraph 6.7) for default (including for the liquidated damages as set out under paragraph 6.7(b), and related liability for breach of the obligation to pay the Transfer Price under paragraph 6.3 of this announcement) and all payment obligations under the Equity Transfer Agreement.
- (h) If either Transferee fails to pay an amount which is determined to be due and payable pursuant to this paragraph 6.7 (the "**Amount Due and Payable**"), the Company has the right to require the Non-defaulting Party to pay such Amount Due and Payable on behalf of the other Transferee, and the Non-defaulting Party shall transfer such Amount Due and Payable to the Company as soon as practicable and in any event within ten (10) Business Days after the receipt of the payment request from the Company.

6.8 Governing Law and Dispute Resolution

Pursuant to the Equity Transfer Agreement:

- (a) The Equity Transfer Agreement shall be governed by and construed in accordance with the PRC laws.
- (b) The representatives of the Parties shall endeavor to resolve any dispute arising from or in connection with the Equity Transfer Agreement, including any dispute concerning the existence, validity, termination, modification or performance of the Equity Transfer Agreement (a "**Dispute**") in accordance with the principle of fairness and in good faith. Upon request by either Party, the other Parties shall assign a senior management representative to participate in the discussions. Each Party shall have the right to terminate the discussions at any time by giving written notice to the other Parties.
- (c) If any Dispute fails to be resolved according to the provision as set out in paragraph 6.8(b) of this announcement, such Dispute shall be submitted to China International Economic and Trade Arbitration Commission to be finally resolved through arbitration according to the Arbitration Rules of China International Economic and Trade Arbitration Commission in force at the time of submission of the arbitration notice. The tribunal shall be composed

of three (3) arbitrators. The Transferees (acting jointly) have the right to nominate one (1) arbitrator and the Company has the right to nominate one (1) arbitrator. The third arbitrator, who shall be the Chairman of the arbitral tribunal, shall be nominated by the two (2) nominated arbitrators within 14 days of the last of their appointments. The arbitration shall be seated in Beijing. The arbitration proceedings shall be conducted in Chinese and English.

- (d) While a Dispute or the arbitration of a Dispute is ongoing, the Parties shall continue to perform their respective obligations and may exercise their respective rights under the Equity Transfer Agreement in relation to the matters other than those subject to the Dispute.

7. RATIONALE FOR, AND BENEFITS OF, THE PROPOSED DRT DISPOSAL

The Directors are unanimously of the view that the Proposed DRT Disposal is in the best interest of the Company and its Shareholders due to the following considerations:

- (a) the Transfer Price, being an aggregate of RMB1,623,466,666.67, represents a significant premium of approximately 35% over the appraised value of the Equity Interest as at the Appraisal Base Date, as assessed by the Independent Valuer;
- (b) the Proposed DRT Disposal is expected to unlock the value of the Company's investment in the Target Company and bring considerable financial returns to the Company's Shareholders. The Proposed DRT Disposal is expected to result in immediate cash inflows and a gain on disposal of approximately RMB1.54 billion (after deducting the investment book value); and
- (c) the proceeds from the Proposed DRT Disposal would allow the Company to dedicate resources for business expansion, including but not limited to strategic mergers and acquisitions, research and development projects, new product development and market expansion initiatives.

The Proposed DRT Disposal will not affect the Company's independence.

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Requirements of Chapter 10 of the Listing Manual

Chapter 10 of the Listing Manual governs the continuing listing obligations of issuers in respect of significant transactions, including acquisitions and disposals. Such transactions are classified as (a) non-discloseable transactions, (b) discloseable transactions, (c) major transactions, and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual. Where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds five per cent. (5%) but does not exceed twenty per cent. (20%), the transaction is classified as a "discloseable transaction" under Chapter 10 of the Listing Manual, and where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds twenty per cent. (20%) but is less than 100%, the transaction is classified as a "major transaction" under Chapter 10 of the Listing Manual.

8.2 Relative Figures under Rule 1006 of the Listing Manual

Based on the audited financial statements of the Group for FY2024 (being the latest announced consolidated financial statements of the Group as at the Execution Date), the relative figures in respect of the Proposed DRT Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of Computation	Relative Figures
Rule 1006(a)	The net asset ⁽¹⁾ value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	1.64% ⁽²⁾
Rule 1006(b)	The net profits/(loss) ⁽³⁾ attributable to the assets acquired or disposed of, compared with the group's net profits	3.85% ⁽⁴⁾
Rule 1006(c)	The aggregate value of the consideration ⁽⁵⁾ given or received, compared with the issuer's market capitalisation ⁽⁶⁾ based on the total number of issued shares excluding treasury shares	7.97% ⁽⁷⁾
Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁸⁾
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount	Not applicable ⁽⁹⁾

Notes:

- (1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities. Under Rule 1002(3)(c) of the Listing Manual, the net asset figures used for comparison with the transaction(s) under consideration will be taken from the latest announced consolidated accounts. The SGX-ST may allow the issuer's net asset value to be adjusted to take into account any transaction(s) completed subsequent to the latest announced consolidated accounts provided that adequate information about such transaction(s) has already been announced to shareholders.
- (2) Based on the net asset value of the Equity Interest of approximately RMB128,608,913.99 as at 31 December 2024, compared with the Group's audited net asset value of approximately RMB7,849,938,000 as at 31 December 2024.
- (3) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Under Rule 1002(3)(c) of the Listing Manual, the net profit figures used for comparison with the transaction(s) under consideration will be taken from the latest announced consolidated accounts. The SGX-ST may allow the issuer's net profit to be adjusted to take into account any transaction(s) completed subsequent to the latest announced consolidated accounts provided that adequate information about such transaction(s) has already been announced to shareholders.

- (4) Based on the net profit attributable to the Equity Interest of approximately RMB85,315,140.26 for the period ended 31 December 2024, compared with the Group's audited net profit of approximately RMB2,215,218,478.74 for the period ended 31 December 2024.
- (5) Under Rule 1003(3) of the Listing Manual, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher.
- (6) Under Rule 1002(5) of the Listing Manual, "market capitalisation" is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreement.
- (7) Based on the Transfer Price of RMB1,623,466,666.67, compared with the market capitalisation of the Company of approximately RMB20,379,950,648.16 (determined by multiplying the 570,094,356 A-Shares by the volume-weighted average price of the A-Shares of RMB30.36 and 200,000,000 S-Shares by the volume-weighted average price of the S-Shares of USD2.13 (exchange rate: USD1:RMB7.211) as at 14 April 2025 (being the last market day on which the Shares were traded prior to the signing of the Equity Transfer Agreement).
- (8) This basis is not applicable as no equity securities will be issued by the Company as consideration for the Proposed DRT Disposal.
- (9) This basis is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure computed based on 1006(c) of the Listing Manual exceeds five per cent. (5%) but do not exceed twenty per cent. (20%), the Proposed DRT Disposal constitutes a "discloseable transaction" pursuant to Rule 1010 of the Listing Manual and does not require Shareholders' approval at a general meeting.

However, as stated in paragraph 1 of this announcement, the profit derived from the Proposed DRT Disposal is expected to be approximately RMB1.308 billion, representing approximately 59% of the audited net profit of the Company for FY2024 (being approximately RMB2.215 billion). Accordingly, the Proposed DRT Disposal is subject to Shareholders' approval at a general meeting of the Company pursuant to Rule 6.1.3 of the SSE Listing Rules.

8.3 **Pro Forma Financial Effects of the Proposed DRT Disposal**

(a) Bases and Assumptions

The *pro forma* financial effects of the Proposed DRT Disposal on the Group as set out below are only presented for illustrative purposes and should not be taken as an indication of the actual and/or future financial performance or position of the Company or the Group following the completion of the Proposed DRT Disposal.

The *pro forma* financial effects for the Proposed DRT Disposal have been prepared based on the following bases and assumptions:

- (i) the Group's latest audited consolidated financial statements for FY2024;
- (ii) the latest audited financial statements of the Target Company for FY2024; and
- (iii) the expenses incurred for the Proposed DRT Disposal have not been taken into account.

(b) Effect on net tangible assets ("**NTA**") per Share

For illustrative purposes only, assuming that the Proposed DRT Disposal had been completed on 31 December 2024, the Proposed DRT Disposal would have had the following effects on the NTA per share of the Company as at 31 December 2024:

	Before the Proposed DRT Disposal	After the Proposed DRT Disposal
NTA ⁽¹⁾ (RMB)	7,542,346,000	8,849,891,000
Number of the issued shares (excluding treasury shares)	770,094,356	770,094,356
NTA per share (RMB)	9.8	11.5

Note:

(1) NTA is computed based on total assets (net of intangible assets, including goodwill) less total liabilities.

(c) Effect on Earnings per Share (“EPS”)

For illustrative purposes only, assuming that the Proposed DRT Disposal had been completed on 1 January 2024, the Proposed DRT Disposal would have had the following effects on the EPS of the Group for FY2024:

	Before the Proposed DRT Disposal	After the Proposed DRT Disposal
Net profit ⁽¹⁾ (RMB)	2,215,218,000	3,437,449,000
Weighted average number of shares	771,061,071	771,061,071
EPS (RMB)	2.87	4.46

Note:

(1) Net profit means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

8.4 Excess of Proceeds over Book Value and Estimated Gain on the Proposed DRT Disposal

Based on the audited financial statements of the Target Company for FY2024:

- (a) the Transfer Price represents an excess of approximately RMB1,542,329,475.85 over the book value of the Equity Interest (being RMB81,137,190.82); and
- (b) the estimated gain to be recognised by the Company from the Proposed DRT Disposal is approximately RMB1,542,329,475.85.

The actual gain to be recognised will be subject to audit and may differ from the estimated amount disclosed above.

8.5 Use of Proceeds from the Proposed DRT Disposal

The Company intends to utilise the net proceeds from the Proposed DRT Disposal for the following purposes:

- (a) to support business expansion, including potential acquisitions of businesses or assets that are complementary to, and of strategic value to, the Company's core business, as well as to strengthen the distribution channels and brand positioning of the Company's products;
- (b) to enhance research and development capabilities, including the continued development of the core products, acceleration of research and development and business development of new product pipelines; and
- (c) for working capital and general corporate purposes.

8.6 Directors' and Controlling Shareholders' Interests

As at the date of this announcement and to the best of the Directors' knowledge and belief, none of the Directors or controlling shareholder(s) of the Company has any interest, direct or indirect, in the Proposed DRT Disposal, other than through their respective shareholding interests in the Company (if any).

8.7 No Service Contract

No person is proposed to be appointed as a Director of the Company in connection with the Proposed DRT Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. 2025 1ST EGM AND CIRCULAR

The Directors will be convening an extraordinary general meeting of the Company (the "**2025 1st EGM**") to seek Shareholders' approval for the Proposed DRT Disposal.

A circular to Shareholders (the "**Circular**") containing, *inter alia*, further information on the Proposed DRT Disposal, together with the notice of 2025 1st EGM, will be despatched to Shareholders in due course.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed DRT Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 17 Baidi Road, Nankai District, Tianjin, the PRC 300193, 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 Asset Appraisal Report and its summary.

12. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Completion of the Proposed DRT Disposal is subject to the fulfilment of certain conditions under the Equity Transfer Agreement. There is no certainty or assurance as at the date of this announcement that the Proposed DRT Disposal will be completed or that there will be no changes to the terms thereof.

The Company will make further announcements as and when there are material developments in relation to the Proposed DRT Disposal or other matters referred to in this announcement, in compliance with the Listing Manual and the SSE Listing Rules.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. If in doubt as to the action they should take, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
15 April 2025