

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)

THE PROPOSED ENTRY INTO A LEASE AGREEMENT AS AN INTERESTED PERSON TRANSACTION

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:

- (a) the announcement dated 20 June 2025 made by the Company in relation to the resolutions passed at the 4th Board meeting for the financial year ending 31 December 2025 (“**FY2025**”) (the “**FY2025 4th Board Meeting**”); and
 - (b) the announcement dated 20 June 2025 made by the Company in relation to the proposed entry into an equity custody agreement as an interested person transaction,
- (collectively, the “**Announcements**”).

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

1. OVERVIEW

To enhance asset utilisation efficiency and fully leverage its existing warehouse resources, the Company proposes to enter into a lease agreement (房屋租赁合同) (the “**Lease Agreement**”) with Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (津药太平医药有限公司) (“**Taiping Medicine**”). Pursuant to the Lease Agreement, the Company will lease to Taiping Medicine a property located at No. 5 Tengda Road, Beichen District, Tianjin, the People's Republic of China (the “**PRC**”) (中国天津市北辰区腾达道 5 号), with a usable floor area of approximately 24,112.59 square metres (the “**Property**”), for warehouse use. The lease term shall be for a period of three (3) years, commencing on 1 July 2025 and ending on 30 June 2028 (the “**Lease Term**”). The total rent payable by Taiping Medicine for the entire Lease Term is RMB14,785,800 (inclusive of tax) (the “**Rent**”), representing approximately 0.19% of the Group's latest audited net tangible assets (“**NTA**”) of RMB7,756,004,000 as at 31 December 2024.

As at the date of this announcement, the Company's controlling shareholder¹, Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) (“**TPH**”), holds 56.65% equity

¹ As defined under the Listing Manual, “**controlling shareholder**” means 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

interest in Taiping Medicine. Accordingly, Taiping Medicine is regarded as an associate² of TPH and is therefore considered an “interested person”³ of the Company under Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited. Consequently, the proposed entry into the Lease Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

As at the date of this announcement, the Board comprises nine (9) directors (the “**Directors**”), of whom Mr. Guo Min is a director of TPH, Ms. Wang Lei is the legal representative and a senior management member of TPH, and a director of Taiping Medicine, Mr. Xing Jianhua is a senior management member of TPH and a director of Taiping Medicine, and Ms. Mao Weiwen is a senior management member of TPH (collectively, the “**Interested Directors**”). Since TPH is considered an interested person of the Company for the purposes of Chapter 9 of the Listing Manual, the Interested Directors abstained from voting on the resolution to approve the proposed entry into the Lease Agreement as an interested person transaction at the FY2025 4th Board Meeting. The remaining five (5) Directors, including all three (3) independent Directors of the Company (the “**Independent Directors**”), voted in favour of the said resolution.

The proposed entry into the Lease Agreement does not constitute a significant transaction under Chapter 10 of the Listing Manual, nor does it constitute 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》) and is therefore not subject to shareholders’ approval.

Although the proposed entry into the Lease Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual, as further elaborated in paragraph 7 of this announcement, it is not subject to the requirements for immediate announcement or approval of the independent shareholders⁴ under Chapter 9 of the Listing Manual. Nevertheless, the Company is making this announcement in accordance with Rules 217 and 703 of the Listing Manual.

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- (b) in fact exercises control over the Company.

As defined under the Listing Manual, “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

² 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
 - (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.

³ As defined under the Listing Manual, in the case of a company, “**interested person**” means:

- (a) director, chief executive officer, or controlling shareholder of the issuer; or
- (b) an associate of any such director, chief executive officer, or controlling shareholder.

⁴ In this announcement, “**independent shareholders**” means shareholders who are not TPH and its associates.

2. INFORMATION ON TAIPING MEDICINE

2.1 Corporate Information

As at the date of this announcement, the details of Taiping Medicine are as follows:

Name of company	:	Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (津药 太平医药有限公司)
Type of company	:	Limited liability company (wholly-owned by a legal person) (有限 责任公司 (法人独资))
Uniform social credit No.	:	911200006005852418
Date of incorporation	:	29 September 1994
Registered capital	:	RMB1,000 million
Registered address	:	201 Xin Hua Road, Heping District, Tianjin (天津市和平区新华路 201号)
Legal representative	:	XUE Chao (薛超)
Board of directors	:	XING Jianhua (辛建华) (Chairman) XUE Chao (薛超) WANG Lei (王磊) HUANG Zhiyong (黄志勇) ZOU Yan (邹燕)
Business scope	:	<p>Licenced items: Wholesale of pharmaceuticals; operation of Class III medical devices; leasing of Class III medical equipment; sale of pharmaceutical excipients; sale of food products; operation of hazardous chemicals; road freight transportation (excluding hazardous goods); import and export of pharmaceutical products; retail of tobacco products; and decoction services for Chinese herbal medicine. (For items subject to approval under applicable laws, such activities shall be carried out only upon obtaining approval from the relevant authorities, and the specific business activities shall be based on the approvals or licences granted by the relevant authorities.)</p> <p>General items: Operation of Class I and Class II medical devices; sale of health foods (pre-packaged); road freight transportation using vehicles with a gross weight of 4.5 tonnes or below (excluding online freight and hazardous materials); sale of sanitary products and disposable medical supplies; wholesale and retail of cosmetics, daily necessities, general merchandise, paper products, rubber products, household appliances, instruments and meters, laboratory instruments, optical instruments, glassware, hardware and electrical equipment,</p>

wires and cables, gas/liquid purification equipment and materials, and general-purpose chemicals (excluding hazardous chemicals); sale of disinfectants (excluding hazardous chemicals); repair of instruments and meters; conference and exhibition services; general warehousing (excluding hazardous materials); cold storage (excluding hazardous materials); advertising design, production, agency, and publishing; technology services including R&D, consulting, transfer, and promotion; labour services (excluding labour dispatch); repair of computers and office equipment; photography and photo processing; dry-cleaning services; import and export of goods and technology; sale of coal and coal-related products, metal materials, and non-ferrous metal alloys; sale of eyeglasses (excluding contact lenses); retail of edible agricultural products; leasing of residential properties, machinery and equipment, computers, and communication devices; supply chain management services; software development, sales, outsourcing, and integration; information system integration and maintenance services; leasing of Class I and Class II medical equipment; storage equipment leasing services; domestic freight forwarding; loading and unloading operations; office equipment leasing; and the wholesale of sporting goods and equipment. (Unless otherwise subject to approval under applicable laws, business activities shall be conducted in accordance with the business licence and applicable laws and regulations.)

2.2 Relationship between TPH, the Company and Taiping Medicine

As at the date of this announcement, Taiping Medicine is jointly owned by TPH, the Company's controlling shareholder, and the Company, holding 56.65% and 43.35% of its equity interest, respectively.

2.3 Key Financial Information

The key financial information of the Taiping Medicine is as follows:

Items	As at 31 December 2024 (audited) (RMB'000)	As at 31 March 2025 (unaudited) (RMB'000)
Total assets	6,695,198.3	6,795,028.9
Total liabilities	5,707,641.7	5,816,073.8
Net assets	987,556.6	978,955.1
Items	January to December 2024 (audited) (RMB'000)	January to March 2025 (unaudited) (RMB'000)
Revenue	8,363,812.4	1,907,914.2
Net profit/(loss)	(7,376.1)	(8,601.4)

3. INFORMATION ON THE PROPERTY

3.1 The Property

The asset subject to the Lease Agreement is a property owned by the Company located at No. 5 Tengda Road, Beichen District, Tianjin (天津市北辰区腾达道 5 号). The nature of the transaction is the lease of real estate by the Company.

3.2 Description of the Property

Location of the Property	:	No. 5 Tengda Road, Beichen District, Tianjin (天津市北辰区腾达道5号)
Gross Floor Area	:	Approximately 24,112.59 square metres
Registered Owner	:	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (i.e. the Company)
Ownership Status	:	The Company's title to the Property is clear of any mortgage, pledge, or other encumbrance, and is not subject to any litigation, arbitration, enforcement proceedings (including seizure or freezing), or any other circumstances that may adversely affect the Company's right to lease or transfer the Property.

4. PRINCIPAL TERMS OF THE LEASE AGREEMENT AND PERFORMANCE ARRANGEMENTS

4.1 Principal Terms of the Lease Agreement

The principal terms of the Lease Agreement are set out below.

Parties	:	(a) Party A: the Company (b) Party B: Taiping Medicine
Basic Information on the Property	:	The property under the Lease Agreement is located at No. 5 Tengda Road, Beichen District, Tianjin (天津市北辰区腾达道 5 号), with a usable floor area of approximately 24,112.59 square metres (i.e. the Property). The Property shall be leased by Taiping Medicine for warehouse use.
Lease Term	:	The lease term shall be a period of three (3) years, commencing on 1 July 2025 and ending on 30 June 2028 (i.e. the Lease Term). Unless otherwise agreed in writing by both parties, the commencement date of the lease shall not be subject to variation for any reason.
Rent and Payment Terms	:	The total rent payable for the entire Lease Term shall be RMB14,785,800 (inclusive of tax) (i.e. the Rent), with the pre-tax amount being RMB13,564,954.13. The Rent shall be paid in three (3) annual instalments of RMB4,928,600 (inclusive of tax), equivalent to RMB4,521,651.38 (pre-tax) per instalment. The first instalment shall be payable by Taiping Medicine within ten (10) days from the effective date of the Lease Agreement.

Delivery of Property : Upon receipt by the Company of the full amount of the security deposit and the first instalment of rent from Taiping Medicine, and confirmation thereof by the Company, the Company shall deliver possession of the Property to Taiping Medicine within ten (10) days from the date of such confirmation.

Return of Property : Upon expiry of the Lease Term, or earlier termination of the Lease Agreement due to Taiping Medicine's default or any other agreed circumstances, Taiping Medicine shall vacate and return the possession of the Property to the Company within fifteen (15) days from the date of termination and shall settle all outstanding amounts payable under the Lease Agreement up to the date of return.

Unless otherwise agreed in writing, with respect to any interior fittings or fixtures, the Company shall have the right to unilaterally elect one of the following options, and Taiping Medicine shall cooperate unconditionally:

- (a) all fixtures and fittings attached to the Property shall become the property of the Company without any compensation;
- (b) Taiping Medicine shall restore the Property to its original condition at its own cost; or
- (c) the Company shall restore the Property to its original condition and Taiping Medicine shall reimburse the Company for all actual costs incurred.

In the event of any delay in the return of the possession of the Property, Taiping Medicine shall pay an occupation fee based on the applicable rent for the period of delay and shall be liable to indemnify the Company for any losses arising therefrom.

Rights and Obligations of the Parties : The Company represents and warrants that it has valid title to, or leasehold rights in respect of, the Property, free from any disputes, claims, or encumbrances. The Company shall bear sole responsibility for any disputes, claims, debts, or liabilities arising from or in connection with the ownership or leasehold of the Property. The Company further undertakes that it has full legal capacity and authority to lease the Property to Taiping Medicine. In the event of any defect in such capacity or authority resulting in any loss or damage to Taiping Medicine, the Company shall fully indemnify Taiping Medicine against such loss or damage. Taiping Medicine shall have the right to terminate the Lease Agreement unilaterally under such circumstances.

Taiping Medicine shall be responsible for the safety and security of the Property and any property or items located therein during the Lease Term. In the event of any loss or damage to such property or items arising from any act or omission of Taiping

Medicine, Taiping Medicine shall compensate for such loss or damage based on their market value. Taiping Medicine shall further be liable to fully indemnify the Company for any economic loss suffered by the Company as a result of its actions or omissions.

During the Lease Term, Taiping Medicine shall not sublease, assign or lend the Property to any third party without the prior written consent of the Company. In the event of a breach, the Company shall have the right to unilaterally terminate the Lease Agreement, retain all prepaid but unutilised rent, and Taiping Medicine shall be liable to pay liquidated damages equivalent to one (1) month's rent.

Liability for Breach : In the event that the performance of the Lease Agreement becomes impossible due to *force majeure* or national policies or governmental or administrative actions (including but not limited to natural disasters, fire, war, civil unrest, or the compulsory expropriation, demolition or redevelopment of the Property as required by national policies), either party may terminate the Lease Agreement in advance without being held liable for any breach of contract. Each party shall bear its own losses (if any) arising from such early termination. Rent shall be calculated on a pro rata basis up to the actual date on which Taiping Medicine vacates and returns possession of the Property to the Company. For the avoidance of doubt, any breach of the Lease Agreement that occurs prior to the occurrence of the above-mentioned events shall not be waived or excused as a result thereof.

Dispute Resolution : If any provision of the Lease Agreement conflicts with any mandatory provisions of the *Civil Code of the PRC* (《中华人民共和国民法典》) (the “**Civil Code**”), the relevant provisions of the Civil Code shall prevail.

Any dispute arising from the performance of the Lease Agreement shall first be resolved through amicable negotiations. If no resolution can be reached, either party may submit the dispute to the People's Court with jurisdiction over the location of the Property.

4.2 Performance Arrangements in respect of the Lease Agreement

Taiping Medicine has been duly incorporated and has remained in continuous existence since its establishment. It is currently in normal operation with sound financial standing and is capable of performing its obligations under the Lease Agreement. The Lease Agreement contains appropriate contractual provisions that safeguard the Company's interests, including provisions governing the rights and obligations of the parties and liability for breach of contract. Both the Company and Taiping Medicine will perform their respective obligations strictly in accordance with the terms of the Lease Agreement. The performance of the Lease Agreement is legally binding and enforceable.

5. BASIS FOR DETERMINATION OF THE RENT

The Rent was determined with reference to prevailing market rates for comparable warehouse leases in the vicinity of the Property. It was arrived at through voluntary negotiations on an arm's length basis between the Company and Taiping Medicine, based on the principles of equality and mutual benefit. The terms of the Lease Agreement are on normal commercial terms, fair and reasonable, and have been approved in accordance with the relevant internal approval procedures and applicable regulatory requirements. The proposed entry into the Lease Agreement is not prejudicial to the interests of the Company or its shareholders and is not expected to have any material adverse impact on the financial position or operating performance of the Company.

6. RATIONALE FOR, AND BENEFITS OF, THE PROPOSED ENTRY INTO THE LEASE AGREEMENT

The proposed entry into the Lease Agreement is expected to enhance the efficiency of the Company's asset utilisation and enable the optimal deployment of its existing warehouse resources. It is also expected to generate stable rental income and contribute positively to the Company's financial position and operating results. The proposed entry into the Lease Agreement is in the interests of the Company and its shareholders. The Lease Agreement was negotiated on an arm's length basis and on normal commercial terms. It is not prejudicial to the interests of the Company or its shareholders and does not affect the independence of the Company.

7. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL

7.1 Proposed Entry into the Lease Agreement as an Interested Person Transaction

As at the date of this announcement,

- (a) TPH holds approximately 42.997% of the issued share capital of the Company and is therefore considered a controlling shareholder. Accordingly, TPH and its associates are regarded as "interested persons" under Chapter 9 of the Listing Manual; and
- (b) TPH holds 56.65% of the equity interest in Taiping Medicine. As such, Taiping Medicine is regarded as an associate of TPH and is therefore considered an "interested person" under Chapter 9 of the Listing Manual.

Consequently, the proposed entry into the Lease Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

As the value of the Lease Agreement (i.e. the Rent of RMB14,785,800) represents less than three per cent. (3%) of the Group's latest audited NTA of RMB7,756,004,000 as at 31 December 2024, the Company is not required to make an immediate announcement or seek independent shareholders' approval pursuant to Rules 905 and 906 of the Listing Manual.

Nevertheless, the Company is making this announcement in accordance with Rules 217 and 703 of the Listing Manual.

7.2 Current and On-going Interested Person Transactions

For the information of the shareholders of the Company,

- (a) save for the proposed entry into the Lease Agreement and the Taiping Medicine Guarantee (as defined below), there are no other interested person transactions that have been entered into, or are proposed to be entered into, between the Company and Taiping Medicine for the current financial year beginning 1 January 2025 up to the date of this announcement; and
- (b) save for:
 - (i) the financial services agreement entered into between the Company and Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司) (“**TPGF**”), which was approved by the independent shareholders at the annual general meeting (“**AGM**”) of the Company held on 15 May 2023⁵;
 - (ii) the proportionate guarantee of up to RMB823,650,000 provided by the Company for Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) (“**TJZX Medicine**”), which was approved by the independent shareholders at the extraordinary general meeting of the Company held on 29 October 2024⁶;
 - (iii) the guarantee of up to RMB1,647,300,000 provided by the Company for Taiping Medicine (the “**Taiping Medicine Guarantee**”), which was approved by the independent shareholders at the AGM of the Company held on 15 May 2025⁷;
 - (iv) the guarantee of up to RMB815,000,000 provided by the Company for TJZX Medicine, which was approved by the independent shareholders at the AGM of the Company held on 15 May 2025⁸; and
 - (v) the transactions entered into pursuant to the general mandate for recurrent transactions of a revenue trading nature, or those necessary for the Company’s day-to-day operations with specified classes of interested persons, which was last renewed and approved by the independent shareholders at the AGM of the Company held on 15 May 2025⁹,

there are no other interested person transactions (excluding transactions below S\$100,000) that have been entered into, or are proposed to be entered into, between, on the one hand,

⁵ Please refer to the annexure dated 28 April 2023 accompanying the notice of AGM in relation to the proposed financial services agreement to be entered into between the Company and TPGF as an interested person transaction and all transactions arising therefrom, and the Company’s announcement dated 15 May 2023 for further information.

⁶ Please refer to the Company’s circular dated 14 October 2024 in relation to, *inter alia*, the Company’s proposed provision of a guarantee of up to RMB823,650,000 for TJZX Medicine, and its announcement dated 29 October 2024 for further information.

⁷ Please refer to the annexure dated 30 April 2025 accompanying the notice of AGM in relation to the proposed provision of a guarantee of up to RMB1,647,300,000 for Taiping Medicine and the proposed provision of a guarantee of up to RMB815,000,000 for TJZX Medicine, and the Company’s announcement dated 15 May 2025 for further information.

⁸ *Ibid.*

⁹ Please refer to the annexure dated 30 April 2025 accompanying the notice of AGM in relation to the proposed renewal of mandate for interested person transactions (as set out on pages 164 to 186 of the Company’s annual report for the financial year ended 31 December 2024), and the Company’s announcement dated 15 May 2025 for further information.

the Company, its subsidiaries and/or associated companies¹⁰, which are considered an “entity at risk” under Rule 904(2) of the Listing Manual and, on the other hand, TPH and/or its associates for the current financial year beginning 1 January 2025 up to the date of this announcement.

Accordingly, the current total value of all interested person transactions (excluding interested person transaction less than S\$100,000 and the Lease Agreement) entered into by, on the one hand, the Company, its subsidiaries and/or associated companies, which are considered an “entity at risk” under Rule 904(2) of the Listing Manual and, on the other hand, TPH and/or its associates for the current financial year beginning 1 January 2025 up to the date of this announcement, is approximately RMB3,285,950,000, representing approximately 42.37% of the Group’s latest audited NTA of RMB7,756,004,000 as at 31 December 2024.

7.3 Audit Committee’s Statement

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises Mr. Liew Yoke Pheng Joseph, Mr. Yeo Guat Kwang, and Mr. Zhong Ming, all of whom are considered independent for the purposes of reviewing the Lease Agreement as an interested person transaction.

Having reviewed the terms, rationale for, and benefit of, the proposed entry into the Lease Agreement, the Audit Committee is of the view that the proposed entry into the Lease Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

8. ALL RELATED PARTY TRANSACTIONS FOR THE PAST TWELVE (12) MONTHS (EXCLUDING THOSE APPROVED BY SHAREHOLDERS)

In accordance with the applicable laws of the PRC, including the Listing Rules of the Shanghai Stock Exchange (the “**SSE**”), and excluding related party transactions that have been approved by the shareholders of the Company, save for:

- (a) the transactions entered into by the Company with TPH, its subsidiaries and/or associated companies relating to the receipt and provision of labour services, lease of properties, lease of housing equipment, and purchase of assets, with an aggregate transaction value of approximately RMB17,327,500, representing approximately 0.22% of the Company’s latest audited net assets attributable to equity holders of the Company;
- (b) the capital contribution of RMB150,000,000 by the Company to TPGF on a pro rata basis¹¹, representing approximately 1.91% of the Company’s latest audited net assets attributable to equity holders of the Company; and

¹⁰ In this announcement, “**associated company**”, in relation to a corporation, means:

- (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest in voting shares of not less than twenty per cent. (20%) but not more than fifty per cent. (50%) of the total votes attached to all voting shares in the corporation; or
- (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is or are able to control or influence materially.

¹¹ Please refer to the Company’s announcement dated 6 September 2024 for further information on its capital contribution to TPGF.

- (c) the proposed entry into an equity custody agreement (股权托管协议) between the Company and Tianjin Medicine Asset Management Co., Ltd. (津药资产管理有限公司) and Tianjin Pharmaceutical Group Jin Yi Tang Chain Co., Ltd. (天津医药集团津一堂连锁股份有限公司), with a total contract value of RMB300,000, representing approximately 0.004% of the Company's latest audited net assets attributable to equity holders of the Company,

the Company has not entered into any other related party transactions in the past twelve (12) months immediately preceding the date of this announcement.

9. DECISION-MAKING PROCEDURES FOR THE PROPOSED ENTRY INTO THE LEASE AGREEMENT AS AN INTERESTED PERSON TRANSACTION

9.1 Board Meeting

On 20 June 2025, the Company convened its FY2025 4th Board Meeting, at which the Board considered and approved, amongst others, the proposed entry into the Lease Agreement as an interested person transaction.

Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen, being Interested Directors in respect of the above resolution, abstained from voting on the said resolution. Of the nine (9) Directors currently serving on the Board, the remaining five (5) non-interested directors, including all three (3) Independent Directors, voted in favour of the said resolution.

9.2 Special Meeting of Independent Directors

On 20 June 2025, the Company convened the 2nd Special Meeting of Independent Directors for FY2025. In accordance with relevant laws and regulations, including the *Administrative Measures for Independent Directors of Listed Companies* (《上市公司独立董事管理办法》) issued by the China Securities Regulatory Commission (中国证券监督管理委员会), the Listing Rules of the Shanghai Stock Exchange, and the Listing Manual, the Independent Directors conducted a prior review and expressed the following opinions on the proposed entry into the Lease Agreement, which constitutes an interested person transaction:

- (a) Taiping Medicine is considered an interested person of the Company under Chapter 9 of the Listing Manual. Accordingly, the Interested Directors (i.e. Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen) abstained from voting on the resolution in respect of the proposed entry into the Lease Agreement;
- (b) the proposed entry into the Lease Agreement adheres to the principles of equality, voluntariness, mutual benefit, and reciprocity, and it does not affect the Company's independence and is not prejudicial to the interests of the Company and its minority shareholders;
- (c) the terms of the Lease Agreement are lawful and valid, and do not contravene any mandatory provisions of applicable laws, regulations, or normative documents currently in force; and
- (d) the Independent Directors agreed to submit the proposed entry into the Lease Agreement to the FY2025 4th Board Meeting for consideration.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Lease Agreement is 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.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
20 June 2025