

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)

- (1) THE PROPOSED PROVISION OF A GUARANTEE OF UP TO RMB1,647.3 MILLION BY THE COMPANY FOR TIANJIN PHARMACEUTICAL GROUP TAIPING MEDICINE CO., LTD. (津药太平医药有限公司) AS AN INTERESTED PERSON TRANSACTION; AND
 - (2) THE PROPOSED PROVISION OF A GUARANTEE OF UP TO RMB815 MILLION BY THE COMPANY FOR TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司) AS AN INTERESTED PERSON TRANSACTION
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The board of directors (the “Board”) and every individual director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the “Company” and together with its subsidiaries, the “Group”) hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

The Board refers to:

- (1) the circular dated 14 October 2024 (the “**14 October 2024 Circular**”) to the shareholders of the Company in relation to, amongst others, (i) the proposed capital injection of RMB493,617,700 into Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (津药太平医药有限公司) (“**Taiping Medicine**”) through the transfer of the 100% equity interest in the registered capital of Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) (“**TJZX Medicine**”) to Taiping Medicine (the “**Proposed Capital Injection**”) and the proposed entry into a capital injection agreement in relation thereto as an interested person transaction, and (ii) the proposed provision of a guarantee for an amount of up to RMB832,650,000 for TJZX Medicine (the “**Company’s Proportionate Guarantee**”) as an interested person transaction;
- (2) the announcement dated 29 October 2024 made by the Company in relation to the poll results of the extraordinary general meeting of the Company held on 29 October 2024;
- (3) the announcement dated 26 December 2024 made by the Company in relation to the completion of the Proposed Capital Injection; and
- (4) the announcement dated 28 March 2025 made by the Company in relation to, *inter alia*, the resolutions passed at the 1st Board meeting for the financial year ending 31 December 2025 (“**FY2025**”) (the “**FY2025 1st Board Meeting**”) and in particular, to:
 - (i) Resolution 22, relating to the proposed provision of a guarantee of up to RMB1,647.3 million by the Company for Taiping Medicine as an interested person transaction (the “**Proposed Taiping Medicine Guarantee**”); and
 - (ii) Resolution 23, relating to the proposed provision of a guarantee of up to RMB815 million by the Company for TJZX Medicine as an interested person transaction (the “**Proposed TJZX Medicine Guarantee**”, together with the Proposed Taiping Medicine Guarantee, the “**Proposed Guarantees**”).

IMPORTANT REMINDER

- **Guaranteed Parties:** Taiping Medicine and TJZX Medicine, both of whom are considered interested persons of the Company as at the date of this announcement.
- **Guarantee amount under the Proposed Guarantees and the guarantee amount already provided under the Company's Proportionate Guarantee to date:** The guarantee amounts proposed to be provided by the Company for Taiping Medicine and TJZX Medicine are up to RMB1,647.3 million and RMB815 million, respectively, in proportion to the Company's equity interest in these two (2) entities. As at the date of this announcement, the actual guarantee amount already provided by the Company for TJZX Medicine under the Company's Proportionate Guarantee is approximately RMB512,273,700.
- There is no counter-guarantee arrangement for the Proposed Guarantees. The shareholders of Taiping Medicine shall provide proportionate guarantees based on their respective equity interests in Taiping Medicine and TJZX Medicine.
- As at the date of the announcement, the Company has no overdue external guarantees.
- The Proposed Guarantees are still subject to the approval of the shareholders of the Company.
- **Risk Warning: As at 31 December 2024, the asset-liability ratio of each of Taiping Medicine and TJZX Medicine exceeded 70%. Shareholders and investors are advised to pay attention to the risks associated with the Proposed Guarantees and exercise caution when dealing in the shares of the Company.**

1. OVERVIEW

1.1 Information on the Proposed Guarantees

The Company held its 5th Board meeting for the financial year ended 31 December 2024 ("FY2024") on 10 September 2024 and its 1st extraordinary general meeting in 2024 on 29 October 2024, at which the resolutions in relation to the Proposed Capital Injection and the Company's Proportionate Guarantee were considered and approved by the Board and the independent shareholders¹ of the Company, respectively. The Proposed Capital Injection was completed on or around 25 December 2024.

Following the completion of the Proposed Capital Injection, TJZX Medicine ceased to be a wholly-owned subsidiary of the Company and became a wholly-owned subsidiary of Taiping Medicine, which, as at the date of this announcement, is jointly held by Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("TPH"), the controlling shareholder² of the Company, and

¹ In this announcement, "independent shareholders" means shareholders who are not TPH and its associates.

²As 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
- (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.

the Company with 56.65% and 43.35% equity interests, respectively. Consequently, both Taiping Medicine and TJZX Medicine are regarded as associates³ of TPH and are therefore considered “interested persons”⁴ under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), notwithstanding that the Company also holds 43.35% equity interest in Taiping Medicine.

The core businesses of Taiping Medicine and TJZX Medicine are centred on the pharmaceutical commercial segment, which requires substantial working capital for daily operations. Their operational funding needs are mainly met through financing from financial institutions. Taiping Medicine and TJZX Medicine intend to apply for credit facilities of RMB3.8 billion and RMB1.88 billion from banks, respectively. Accordingly, both Taiping Medicine and TJZX Medicine are requesting their shareholders to provide proportionate guarantees based on their respective shareholdings to secure the credit facilities from the banks. To support their respective working capital requirements, enhance capital utilisation efficiency, and reduce financing costs, TPH and the Company propose to provide proportionate guarantees for Taiping Medicine and TJZX Medicine based on their respective equity interests in both entities.

Specifically, the Company proposes to provide:

- (i) a guarantees of up to RMB1,647.3 million for Taiping Medicine (i.e. the Proposed Taiping Medicine Guarantee); and
- (ii) a guarantee of up to RMB815 million for TJZX Medicine (i.e. the Proposed TJZX Medicine Guarantee),

each in proportion to its equity interests in Taiping Medicine and TJZX Medicine, respectively.

As the value of each of the Proposed Guarantees exceeds five per cent (5%) of the Group’s latest audited net tangible assets (“**NTA**”), the Proposed Guarantees are subject to the approval of the independent shareholders pursuant to Rule 906(1) of the Listing Manual. Please refer to paragraph 7 of this announcement for further details on interested person transactions.

1.2 Decision-making Procedures for the Proposed Guarantees

³ 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.

⁴ 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.

On 28 March 2025, the Company duly convened its FY2025 1st Board Meeting, at which the Board considered and approved, *inter alia*, the resolutions on the Proposed Guarantees, which constitute interested person transactions. The said meeting was convened in compliance with applicable Company Law and Securities Law, as well as the Articles of Association of the Company.

The Proposed Guarantees are still subject to the approval of the independent shareholders of the Company at a general meeting.

2. INFORMATION ON THE GUARANTEED PARTIES

2.1 Corporate Information

(a) Taiping Medicine

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	:	Licensed 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 business activities that are subject to approval under applicable laws and regulations, such activities shall be carried out only upon obtaining approval from the relevant authorities. The specific scope

of permitted business shall be based on the approvals or licences granted by such authorities.)

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, 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; and leasing of Class I and Class II medical equipment.

(b) TJZX Medicine

Name of company	:	Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司)
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.	:	91120113MA07EEHW8F
Date of incorporation	:	24 August 2021
Registered capital	:	RMB520 million
Registered address	:	No. 5, Tengda Road, Pharmaceutical and Medical Device Industrial Park, Beichen Economic-Technological

Development Area, Beichen District, Tianjin (天津市北辰区天津北辰经济技术开发区医药医疗器械工业园腾达道5号)

Legal representative : Xiao Jiannan (肖健男)

Board of director(s)/ Sole director : Xiao Jiannan (肖健男)

Business scope : Licenced items: Wholesale of pharmaceuticals; operation of Class III medical devices; road freight transportation (excluding hazardous goods); sale of food products; sale of disinfection equipment. (For business activities that are subject to approval under applicable laws and regulations, such activities shall be carried out only upon obtaining approval from the relevant authorities. The specific scope of permitted business shall be based on the approvals or licences granted by such authorities.)

General items: Sale of pre-packaged healthcare foods; road freight transportation using general cargo vehicles with a gross weight of 4.5 tonnes or below (excluding online freight and hazardous goods); sale of Class II medical devices; sale of Class I medical devices; sale of personal hygiene products; wholesale of cosmetics; sale of daily necessities; wholesale of sports goods and equipment; sale of household appliances; sale of general merchandise; production of advertisements; advertising design and agency services; information consulting services (excluding services subject to specific licensing requirements); general warehousing services (excluding hazardous chemicals or other items requiring prior approval); leasing of non-residential real estate; residential property leasing; sale of disinfectants (excluding hazardous chemicals); sale of chemical products (excluding those subject to licensing requirements); sale of sanitary products and disposable medical supplies; sale of textile products; laundry and ironing services; dry-cleaning services; leasing services (excluding those subject to licensing requirements). (Unless otherwise required by law, the above general business activities may be conducted based on the Company's business licence in accordance with applicable laws.)

2.2 Key Financial Information

(a) Taiping Medicine

The key financial information of Taiping Medicine, based on the consolidated financial statements of Taiping Medicine and its subsidiaries (unless otherwise stated), is set out below:

Items	As at 31 December 2022 (audited) (RMB'000)	As at 31 December 2023 (audited) (RMB'000)	As at 31 December 2024 (audited) (RMB'000)	As at 31 December 2024 (excluding TJZX Medicine) (unaudited) (RMB'000)
Total assets	3,642,312.9	4,121,622.8	6,695,198.3	4,735,300.9
Total liabilities	3,137,181.6	3,624,997.4	5,707,641.7	3,766,850.7
Total current assets	3,488,846.5	3,990,922.3	6,486,776.9	4,164,267.4
Total current liabilities	3,115,716.2	3,603,731.0	5,526,641.9	3,608,734.2
Net assets	505,131.3	496,625.4	987,556.6	968,450.2
Items	January to December 2022 (audited) (RMB'000)	January to December 2023 (audited) (RMB'000)	January to December 2024 (audited) (RMB'000)	January to December 2024 (excluding TJZX Medicine) (unaudited) (RMB'000)
Revenue	4,777,606.7	5,260,919.5	8,363,812.4	5,698,283.4
Net profit/(loss)	6,208.9	25,090.4	(7,376.1)	31,403.6

(b) TJZX Medicine

The key financial information of TJZX Medicine, based on the consolidated financial statements of TJZX Medicine and its subsidiaries, is set out below:

Items	As at 31 December 2022 (audited) (RMB'000)	As at 31 December 2023 (audited) (RMB'000)	As at 31 December 2024 (audited) (RMB'000)
Total assets	2,951,538.9	2,744,358.6	2,396,521.1
Total liabilities	2,432,800.0	2,258,989.3	1,960,145.2
Total current assets	2,879,165.0	2,679,812.0	2,341,863.7
Total current liabilities	2,420,143.5	2,247,219.3	1,937,261.9
Net assets	518,738.9	485,369.3	436,375.9
Items	January to December 2022 (audited) (RMB'000)	January to December 2023 (audited) (RMB'000)	January to December 2024 (audited) (RMB'000)
Revenue	3,356,568.6	3,724,300.8	3,063,674.8
Net profit/(loss)	(27,540.8)	(33,369.6)	(38,779.7)

2.3 Relationship between the Guaranteed Parties and the Company

As at the date of this announcement, TJZX Medicine is a wholly-owned subsidiary of Taiping Medicine, which, in turn, is jointly held by TPH and the Company with 56.65% and 43.35% equity interests, respectively.

3. PRINCIPAL TERMS OF THE PROPOSED GUARANTEES

3.1 The Proposed Taiping Medicine Guarantee

Guarantee Type : Joint and several liability guarantee (连带保证责任)

Guarantee Term : One (1) year

Guarantee Amount : The total guarantee amount required for all credit facilities to be obtained by Taiping Medicine is RMB3,800 million. Based on their respective equity interests in Taiping Medicine, the proportionate guarantees to be provided by the Company and TPH are as follows:

- the Company: up to RMB1,647.3 million
- TPH: up to RMB2,152.7 million

Please refer to the table below for a detailed breakdown of the guarantee amounts allocated to the Company and TPH.

Guarantee Scope : The guarantee covers all amounts due or payable by Taiping Medicine under the principal credit facility agreements, including interest, compound interest, penalty interest, liquidated damages, compensation for losses, and all other costs and expenses incurred in enforcing or recovering payment from Taiping Medicine.

Guarantee Form : The shareholders of Taiping Medicine shall provide proportionate guarantees based on their respective equity interests in Taiping Medicine. Specifically:

- the Company shall assume guarantee obligations in proportion to its 43.35% equity interest in Taiping Medicine
- TPH shall assume guarantee obligations in proportion to its 56.65% equity interest in Taiping Medicine

The following table provides a detailed breakdown of the guarantee amounts allocated to the Company and TPH for each credit facility to be obtained by Taiping Medicine:

No.	Name of Bank	Total Guarantee Required (RMB million)	TPH's Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Guarantee Amount ⁽¹⁾ (RMB million)
1.	Bank of China (中国银行)	400	226.6	173.4
2.	Agricultural Bank of China (农业银行)	200	113.3	86.7
3.	Bank of Communications (交通银行)	500	283.3	216.8
4.	China Merchants Bank (招商银行)	200	113.3	86.7

5.	Shanghai Pudong Development Bank (浦发银行)	400	226.6	173.4
6.	China CITIC Bank (中信银行)	150	85.0	65.0
7.	China Minsheng Bank (民生银行)	400	226.6	173.4
8.	China Guangfa Bank (广发银行)	200	113.3	86.7
9.	Industrial Bank Co., Ltd. (兴业银行)	300	170.0	130.1
10.	Ping An Bank (平安银行)	250	141.6	108.4
11.	Huaxia Bank (华夏银行)	50	28.3	21.7
12.	China Bohai Bank (渤海银行)	500	283.3	216.8
13.	The Export-Import Bank of China (进出口银行)	250	141.6	108.4
Total		3,800	2,152.7	1,647.3

Note(s):

(1) The amounts presented in this column have been rounded to one (1) decimal place.

For the avoidance of doubt, the Company will proceed with the Proposed Taiping Medicine Guarantee only after obtaining approval from the independent shareholders. As at the date of this announcement, the Company has not entered into any agreements with the banks listed above in relation to the Proposed Taiping Medicine Guarantee. Copies of the relevant draft template guarantee agreements proposed to be entered into between the Company and the banks in respect of the Proposed Taiping Medicine Guarantee are available for inspection at the registered office of the Company at 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China (the "PRC") 300193 during normal business hours. Shareholders should note that these are draft templates only and may be subject to changes following final negotiations between the Company and the relevant banks, save for the principal terms set out above.

3.2 The Proposed TJZX Medicine Guarantee

Guarantee Type : Joint and several liability guarantee (连带责任担保)

Guarantee Term : One (1) year

Guarantee Amount : The total guarantee amount required for all credit facilities to be obtained by TJZX Medicine is RMB1,880 million. Based on their respective equity interests in Taiping Medicine, the proportionate guarantees to be provided by the Company and TPH are as follows:

- the Company: up to RMB815 million
- TPH: up to RMB1,065 million

Please refer to the table below for a detailed breakdown of the guarantee amounts to be provided by the Company and TPH.

- Guarantee Scope** : The guarantee covers all amounts due or payable by TJZX Medicine under the principal credit facility agreements, including interest, compound interest, penalty interest, liquidated damages, compensation for losses, and all other costs and expenses incurred in enforcing or recovering payment from TJZX Medicine.
- Guarantee Form** : The shareholders of Taiping Medicine, being the parent company of TJZX Medicine, shall provide proportionate guarantees based on their respective equity interests in Taiping Medicine. Specifically:
- the Company shall assume guarantee obligations in proportion to its 43.35% equity interest in Taiping Medicine
 - TPH shall assume guarantee obligations in proportion to its 56.65% equity interest in Taiping Medicine

The following table provides a detailed breakdown of the guarantee amounts allocated to the Company and TPH for each credit facility to be obtained by TJZX Medicine:

No.	Name of Bank	Total Guarantee Required (RMB million)	TPH's Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Guarantee Amount ⁽¹⁾ (RMB million)
1.	Bank of China (中国银行)	400	226.6	173.4
2.	Shanghai Pudong Development Bank (浦发银行)	400	226.6	173.4
3.	China Merchants Bank (招商银行)	300	170.0	130.1
4.	Agricultural Bank of China (农业银行)	230	130.3	99.7
5.	China Minsheng Bank (民生银行)	200	113.3	86.7
6.	Industrial Bank Co., Ltd. (兴业银行)	200	113.3	86.7
7.	China CITIC Bank (中信银行)	150	85.0	65.0
Total		1,880	1,065	815

Note(s):

- (1) The amounts presented in this column have been rounded to one (1) decimal place.

For the avoidance of doubt, the Company will proceed with the Proposed TJZX Medicine Guarantee only after obtaining approval from the independent shareholders. As at the date of this announcement, the Company has not entered into any agreements with the banks listed above in relation to the Proposed TJZX Medicine Guarantee. Copies of the relevant draft

template guarantee agreements proposed to be entered into between the Company and the banks in respect of the Proposed TJZX Medicine Guarantee 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. Shareholders should note that these are draft templates only and may be subject to changes following final negotiations between the Company and the relevant banks, save for the principal terms set out above.

4. RATIONALE FOR, AND BENEFITS OF, THE PROPOSED GUARANTEES

The core businesses of Taiping Medicine and TJZX Medicine are centred on the pharmaceutical commercial segment, which requires substantial working capital for daily operations. The Proposed Guarantees primarily aim to continue the existing guarantee arrangements for TJZX Medicine while also supporting the daily operational funding needs and future growth of the restructured pharmaceutical commercial segment following the completion of the Proposed Capital Injection.

Both companies engage in pharmaceutical product sales, logistics and distribution, and pharmaceutical supply chain solutions, with operations spanning multiple sectors, including healthcare, commercial distribution, retail terminals, and medical devices. They have established long-term and stable collaborations with nearly 10,000 pharmaceutical manufacturers domestically and internationally. Their sales network covers all sixteen (16) districts of Tianjin, serving various medical institutions, private hospitals, clinics, and retail pharmacies. In addition, they possess strong distribution networks and channel advantages in the Tianjin region, reinforcing their competitive position.

As at the date of this announcement, both companies have the financial capability to meet their debt obligations.

Considering that the Proposed Guarantees will be provided by TPH and the Company in proportion to their respective equity interests in Taiping Medicine and TJZX Medicine, and that the Company's total liabilities under the Proposed Guarantees will be capped at RMB2,462.3 million, the Board is of the view that the Proposed Guarantees are commercially beneficial to the Company and the Group, and are in the interests of the Company and its shareholders.

5. OPINION OF THE BOARD

On 28 March 2025, the Company duly convened its FY2025 1st Board Meeting, at which the Board considered and approved, amongst others, the resolutions in relation to the Proposed Taiping Medicine Guarantee and the Proposed TJZX Medicine Guarantee, both of which constitute interested person transactions.

Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen, being interested directors in respect of the above resolutions, had abstained from voting on these resolutions. The remaining five (5) non-interested directors, including all three (3) independent directors of the Company, had voted in favour of these resolutions.

6. TOTAL AMOUNT OF EXTERNAL GUARANTEES AND AMOUNT OF OVERDUE GUARANTEES

As at the date of this announcement, the total amount of external guarantees provided by the Company and its controlled subsidiaries (as defined in accordance with the laws of the PRC) amounts to RMB512,273,700, all of which are guarantees provided by the Company for TJZX Medicine under the Company's Proportionate Guarantee, representing approximately 6.53% of the latest audited net assets of the Company attributable to equity holders of the Company, which was approximately RMB7,843,594,000 as at 31 December 2024.

The aggregate guarantee amount of up to RMB2,462.3 million pursuant to the Proposed Guarantees accounts for approximately 31.39% of the latest audited net assets of the Company attributable to equity holders of the Company, which was approximately RMB7,843,594,000 as at 31 December 2024.

As at the date of this announcement, the Company has no overdue external guarantees.

7. INTERESTED PERSON TRANSACTIONS

7.1 Entity at Risk and Interested Persons

The Company is considered an "entity at risk" for the purposes of Chapter 9 of the Listing Manual in relation to the Proposed Guarantees.

As at the date of this announcement,

- (i) TPH holds 42.99% of the issued share capital of the Company and is therefore considered a controlling shareholder. As a result, TPH and its associates are regarded as "interested persons" for the purposes of Chapter 9 of the Listing Manual; and
- (ii) TPH holds 56.65% equity interest in Taiping Medicine, which in turn holds 100% of the equity interest in TJZX Medicine. Consequently, both Taiping Medicine and TJZX Medicine are regarded as associates of TPH and are therefore considered "interested persons" under Chapter 9 of the Listing Manual, notwithstanding that the Company also holds 43.35% equity interest in Taiping Medicine.

Accordingly, each of the Proposed Taiping Medicine Guarantee and the Proposed TJZX Medicine Guarantee constitutes an interested person transaction under Chapter 9 of the Listing Manual.

7.2 Shareholders' Approval for the Proposed Guarantees

Based on the latest audited consolidated financial statements of the Group for FY2024, the Group's latest audited NTA as at 31 December 2024 is approximately RMB7,756,004,000.

The total amount at risk to the Company in respect of the Proposed Guarantees is RMB2,462.3 million (being the Company's maximum liability under the Proposed Guarantees), representing approximately 31.75% of the Group's latest audited NTA. This amount comprises:

- (i) RMB1,647.3 million (being the Proposed Taiping Medicine Guarantee), representing approximately 21.24% of the Group's latest audited NTA; and
- (ii) RMB815 million (being the Proposed TJZX Medicine Guarantee), representing approximately 10.51% of the Group's latest audited NTA.

As the value of each of the Proposed Taiping Medicine Guarantee and the Proposed TJZX Medicine Guarantee exceeds five per cent. (5%) of the Group's latest audited NTA, both Proposed Guarantees are subject to the approval of the independent shareholders pursuant to Rule 906 of the Listing Manual.

7.3 Current and On-going Interested Person Transactions

(a) Other Interested Person Transactions with Taiping Medicine

Save for the Proposed Taiping Medicine Guarantee, there are no other interested person transactions (excluding transactions below S\$100,000) entered into by the Company with Taiping Medicine for the current financial year beginning 1 January 2025 up to the date of this announcement.

(b) Other Interested Person Transactions with TJZX Medicine

Save for the Proposed TJZX Medicine Guarantee, there are no other interested person transactions (excluding transactions below S\$100,000) entered into by the Company with TJZX Medicine for the current financial year beginning 1 January 2025 up to the date of this announcement.

(c) Other Interested Person Transactions with TPH and/or its Associates

Save for transaction(s) that has been approved by shareholders or is subject to aggregation with another transaction that has been approved by shareholders, there are no other interested person transactions (excluding transactions below S\$100,000 and the Proposed Guarantees, which are pending approval from the independent shareholders at the 2025 AGM (as defined below)) entered into by, on the one hand, the Company, its subsidiaries and/or associated companies⁵, which are considered an "entity at risk" within the meaning of 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.

(d) All Interested Person Transactions for the Current Financial Year

The Company has an existing general mandate for recurrent transactions of a revenue trading nature or those necessary for its day-to-day operations with specified classes of interested persons, which was last renewed and approved at the Company's annual general meeting held on 15 May 2024 (the "**IPT General Mandate**"). For the current financial year beginning 1 January 2025 up to the date of this announcement, no interested person transactions (excluding transactions below S\$100,000) have been entered into with TPH and/or its associates under the IPT General Mandate obtained by the Company pursuant to Rule 920 of the Listing Manual.

Accordingly, the current total value of all interested person transactions (excluding the Proposed Guarantees, which are pending approval from the independent shareholders at the 2025 AGM (as defined below)) entered into by, on the one hand, the Company, its subsidiaries and/or associated companies, which are considered an "entity at risk" within the meaning of Rule 904(2) of the Listing Manual and, on the other hand, TPH and/or its

⁵ As defined under the Listing Manual, "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.

associates for the current financial year beginning 1 January 2025 up to the date of this announcement, is approximately RMB2,006,751.52, representing approximately 0.026% of the Group's latest audited NTA of RMB7,756,004,000 as at 31 December 2024.

7.4 All Related Party Transactions for the Past Twelve (12) Months

In accordance with the laws of the PRC, including the listing rules of the Shanghai Stock Exchange, save for:

- (i) the transactions entered into by the Company with TPH, its subsidiaries and/or associated companies relating to the acceptance of labour services, provision of labour services, lease of properties, lease of housing equipment, and purchase of assets, with an aggregate value of approximately RMB14,717,608.89, representing approximately 0.19% of the Company's latest audited net assets attributable to equity holders of the Company;
- (ii) the Company's capital contribution of RMB150 million to Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司) on a pro rata basis⁶, representing approximately 1.91% of the Company's latest audited net assets attributable to equity holders of the Company;
- (iii) the Company's capital injection of RMB493,617,700 into Taiping Medicine, representing approximately 6.29% of the Company's latest audited net assets attributable to equity holders of the Company; and
- (iv) the Company's disposal of 13% equity interest in the registered capital of Tianjin TSKF Pharmaceutical Co., Ltd. (中美天津史克制药有限公司) for a consideration of RMB1,758,755,555.56⁷, representing approximately 22.42% of the Company's latest audited net assets attributable to equity holders of the Company,

there are no other related party transactions (excluding transaction(s) which has been approved by shareholders) in the past twelve (12) months immediately preceding the date of this announcement.

7.5 Independent Financial Adviser

Pursuant to Rule 921(4)(a) of the Listing Manual, Novus Corporate Finance Pte. Ltd., has been appointed as the independent financial adviser (the "IFA") to opine on whether the Proposed Guarantees, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders (the "IFA Opinion"). A copy of the letter from the IFA setting out its opinion will be included in the Annexure (as defined below).

7.6 Audit Committee's Statement

The audit committee of the Company (the "Audit Committee") as at the date of this announcement comprises Mr. Liew Yoke Pheng Joseph, Mr. Yeo Guat Kwang, and Mr. Zhong

⁶ Please refer to the Company's announcement dated 6 September 2024 for further information on its capital contribution to Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司).

⁷ Please refer to the Company's circular dated 7 November 2024 and its announcement dated 22 November 2024 for further information on the disposal.

Ming. The members of the Audit Committee are considered independent for the purposes of the Proposed Guarantees as interested person transactions.

The Audit Committee will consider the IFA Opinion before forming its view as to whether the Proposed Guarantees as interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The view of the Audit Committee will be set out in the Annexure (as defined below).

8. 2025 AGM AND ANNEXURE

As announced by the Company on the same day as this announcement, the Board proposes to convene the annual general meeting for FY2024 (the “**2025 AGM**”) to be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, a video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for holders of S-Shares in Singapore) on Thursday, 15 May 2025 at 1:30 p.m..

An annexure to the notice of the 2025 AGM (the “**Annexure**”) containing further information on the Proposed Guarantees as interested person transactions, together with the notice of the 2025 AGM and the IFA Opinion, will be despatched to shareholders in due course.

9. 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 Guarantees 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.

10. 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 from the date of this announcement up to and including the date of the 2025 AGM:

- (a) the relevant draft template guarantee agreements as mentioned in paragraph 3 of this announcement; and
- (b) the Articles of Association of the Company.

11. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. The Company will make further announcements, as and when there are material developments in relation to the Proposed Guarantees and other matters referred to in this announcement, in compliance with the requirements of the Listing Manual and the listing rules of the Shanghai Stock Exchange.

Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully, and should consult their stockbrokers, bank managers, solicitors, accountants or other professional adviser(s) if they have any doubt about the actions they should take.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
28 March 2025