

CIRCULAR DATED 23 MAY 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the “Company”). **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

If you have sold all your shares in the capital of the Company, you should immediately hand this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



**TIANJIN PHARMACEUTICAL DA REN TANG
GROUP CORPORATION LIMITED**

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)

CIRCULAR TO SHAREHOLDERS

in relation to

THE 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

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	7 June 2025 at 2:00 p.m.
Date and time of Extraordinary General Meeting	:	9 June 2025 at 2:00 p.m.
Place of Extraordinary General Meeting	:	RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542

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DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires or otherwise stated:–

<i>“2024 DRT Disposal”</i>	:	The disposal by the Company of a 13% equity interest in the Target Company to Haleon China for a consideration of RMB1,758,755,555.56 in 2024, as further elaborated in Section 1 of this Circular
<i>“2025 1st EGM”</i>	:	The 1 st EGM of the Company for FY2025 to be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m.
<i>“A-Shares”</i>	:	Ordinary shares issued by the Company under the PRC Company Law, comprising shares issued to natural and legal persons in the PRC and which are denominated in RMB and listed on the SSE
<i>“A-Share Shareholders”</i>	:	Holders of A-Shares
<i>“AGM” or “Annual General Meeting”</i>	:	An annual general meeting of the Company
<i>“Announcement”</i>	:	The announcement dated 15 April 2025 released by the Company in relation to the Proposed DRT Disposal and the entry into the Equity Transfer Agreement
<i>“Appraisal Base Date”</i>	:	31 December 2024
<i>“Articles” or “Articles of Association”</i>	:	The articles of association of the Company, as amended, supplemented and/or modified from time to time
<i>“Asset Appraisal Report”</i>	:	The asset appraisal report dated 31 March 2025 issued by the Independent Valuer in respect of the independent appraisal of the market value of the total shareholders’ equity of the Target Company, the summary of which is set out in Appendix B to this Circular
<i>“associate”</i>	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family;

DEFINITIONS

- (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
- “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
- “Auditors’ Report”* : The auditors’ report dated 18 March 2025 issued by CAC in respect of the audit conducted on the financial statements of the Target Company, a copy of which is set out in **Appendix A** to this Circular
- “Board” or “Board of Directors”* : The board of Directors of the Company as at the Latest Practicable Date
- “CAC”* : CAC Certified Public Accountants LLP (中审华会计事务所), the auditors appointed by the Company to perform an audit on the financial statements of the Target Company, as further elaborated in Section 2.2.1(c) of this Circular
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular dated 23 May 2025

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<i>“Company”</i>	:	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited
<i>“control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<i>“Controlling Shareholder”</i>	:	<p>A person who:</p> <p>(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</p> <p>(b) in fact exercises control over the Company</p>
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date, and <i>“Director”</i> shall be construed accordingly
<i>“EGM” or “Extraordinary General Meeting”</i>	:	An extraordinary general meeting of the Company
<i>“EPS”</i>	:	Earnings per Share
<i>“Equity Interest”</i>	:	The Haleon CH SARL Acquiring Equity Interest and the Haleon China Acquiring Equity Interest, collectively
<i>“Equity Transfer Agreement”</i>	:	The equity transfer agreement dated 15 April 2025 entered into between the Company, Haleon China and Haleon CH SARL in relation to the Proposed DRT Disposal, as further elaborated in Section 2.4 of this Circular
<i>“Execution Date”</i>	:	15 April 2025, being the execution date of the Equity Transfer Agreement
<i>“FY” or “Financial Year”</i>	:	Financial year ended or, as the case may be, ending 31 December
<i>“FY2022”</i>	:	Financial year ended 31 December 2022
<i>“FY2023”</i>	:	Financial year ended 31 December 2023
<i>“FY2024”</i>	:	Financial year ended 31 December 2024
<i>“FY2025”</i>	:	Financial year ending 31 December 2025
<i>“Group”</i>	:	The Company and its subsidiaries

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<i>“Haleon CH SARL”</i>	:	Haleon CH SARL (CHE-102.429.188), further details of which are set out in Sections 2.1(b) and 2.2.1(b) of this Circular
<i>“Haleon CH SARL Acquiring Equity Interest”</i>	:	7.4% equity interest in the registered capital of the Target Company held by the Company as at the Latest Practicable Date
<i>“Haleon CH SARL Transfer Price”</i>	:	RMB1,001,137,777.78, being the consideration payable by Haleon CH SARL for the Haleon CH SARL Acquiring Equity Interest
<i>“Haleon China”</i>	:	Haleon China Co., Ltd. (赫力昂 (中国) 有限公司), further details of which are set out in Sections 2.1(a) and 2.2.1(a) of this Circular
<i>“Haleon China Acquiring Equity Interest”</i>	:	4.6% equity interest in the registered capital of the Target Company held by the Company as at the Latest Practicable Date
<i>“Haleon China Transfer Price”</i>	:	RMB622,328,888.89, being the consideration payable by Haleon China for the Haleon China Acquiring Equity Interest
<i>“Haleon plc”</i>	:	Haleon plc, a public company limited by shares, incorporated under the laws of England and Wales, the ordinary shares of which are listed and traded on the London Stock Exchange, with American Depositary Shares listed and traded on the New York Stock Exchange
<i>“Haleon UK”</i>	:	Haleon UK Services Limited, 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
<i>“Independent Valuer”</i>	:	China Enterprise Appraisal Co., Ltd. (北京中企华资产评估有限责任公司), the independent valuer appointed by the Company to perform an independent appraisal on the market value of the total shareholders' equity of the Target Company
<i>“Latest Practicable Date”</i>	:	16 May 2025, being the latest practicable date prior to the dispatch of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
<i>“Notice of EGM”</i>	:	The notice of the 2025 1 st EGM dated 23 May 2025

DEFINITIONS

<i>“NTA”</i>	:	Net tangible assets
<i>“PRC”</i>	:	People’s Republic of China, and for the purpose of this Circular only, excluding Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan Province
<i>“PRC Company Law”</i>	:	The Company Law of the PRC (《中华人民共和国公司法》), as amended, modified and/or supplemented from time to time
<i>“PRC Laws”</i>	:	All laws, regulations, decrees or other acts of a legally binding nature that are in force from time to time in the PRC including any amendment or substitution thereof
<i>“Proposed DRT Disposal”</i>	:	The proposed disposal of the Equity Interest by the Company to the Transferees in consideration for the Transfer Price pursuant to the Equity Interest Agreement, as further elaborated in Section 2 of this Circular
<i>“Proxy Form”</i>	:	The proxy form in respect of the 2025 1 st EGM
<i>“Register of Members”</i>	:	The register of members of the Company as maintained by the Company’s S-Shares Registrar and Singapore Shares Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“Restricted A-Shares”</i>	:	A-Shares granted under the Scheme which shall be subject to the terms and conditions of the Scheme
<i>“S-Shares”</i>	:	Ordinary shares issued by the Company under the PRC Company Law, comprising shares issued to natural and legal persons in countries other than PRC and which are denominated in US\$ and are listed on the Official List of the SGX-ST
<i>“S-Share Shareholders”</i>	:	Holders of S-Shares

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<i>“Scheme”</i>	:	The 2019 Restricted A-Share Incentive Scheme (2019年A股限制性股票计划) of the Company which was established to further improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully motivate the key personnel of the Company, and align the interests of the Shareholders and the Company with the individual interests of the members of management team of the Company so that all parties will make joint efforts for the long-term development of the Company, and the incentive instruments to be issued under the Scheme are A-Shares only and the participants who were eligible to participate in the Scheme which include directors, members of senior management, members of the Company’s management team that the Board considers should be motivated, leading-level scientific research experts, core personnel for scientific research and technology and members of core management team of the subordinate enterprises of the Company (excluding the Company’s Associated Companies). Please refer to the Company’s circular dated 15 November 2019 for further details on the Scheme
<i>“Securities Accounts”</i>	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented and/or modified from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Registered holders of Shares (comprising A-Share Shareholders and S-Share Shareholders) except that where the registered holder is CDP, the term <i>“Shareholders”</i> in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company, comprising A-Shares and S-Shares
<i>“SSE”</i>	:	Shanghai Stock Exchange

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<i>“SSE Listing Rules”</i>	:	The Listing Rules of the Shanghai Stock Exchange (《上海证券交易所股票上市规则》), as amended, modified and/or supplemented from time to time
<i>“subsidiaries”</i>	:	The subsidiaries of a corporation as determined in accordance with the laws of the PRC or Singapore (as the case may be), and <i>“subsidiary”</i> shall be construed accordingly
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5%) of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
<i>“Target Company”</i>	:	Tianjin TSKF Pharmaceutical Co., Ltd. (中美天津史克制药有限公司), further details of which are set out in Sections 2.1(c) and 2.2.1(c) of this Circular
<i>“TPH”</i>	:	Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), the Controlling Shareholder of the Company holding approximately 42.99% of the issued share capital of the Company as at the Latest Practicable Date
<i>“TPH Disposal”</i>	:	The disposal by TPH of a 20% equity interest in the Target Company to Haeon China for a consideration of RMB2,705,777,777.78 in 2024
<i>“Transfer Price”</i>	:	The Haeon CH SARL Transfer Price and/or the Haeon China Transfer Price, as the context requires
<i>“Transferees”</i>	:	Haeon CH SARL and Haeon China, collectively, each a <i>“Transferee”</i>

Currencies, units and others

<i>“RMB”</i>	:	Renminbi, being the lawful currency of the PRC
<i>“S\$”</i>	:	Singapore Dollars, being the lawful currency of the Republic of Singapore
<i>“US\$” or “USD”</i>	:	United States Dollars, being the lawful currency of the United States of America
<i>“%” or “per cent.”</i>	:	Percentage or per centum

DEFINITIONS

The terms “**Depositor**”, “**Depository**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Listing Manual, the SFA or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Listing Manual, the SFA or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

The English names of certain PRC companies, entities and authorities in this Circular are translations of their Chinese names, as there is no requirement for these companies, entities and authorities to have official English names. In case of any discrepancy, conflict or inconsistency among English translations, please refer to the original Chinese names.

LETTER TO SHAREHOLDERS

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)

Board of Directors

Ms. Wang Lei

(Chairman and Executive Director)

Mr. Guo Min

(Executive Director)

Mr. Zhou Hong

(Executive Director)

Mr. Shang Mingjie

(Executive Director)

Ms. Mao Weiwen

(Non-Executive and Non-Independent Director)

Mr. Xing Jianhua

(Non-Executive and Non-Independent Director)

Mr. Yeo Guat Kwang

(Lead Independent and Non-Executive Director)

Mr. Liew Yoke Pheng Joseph

(Independent and Non-Executive Director)

Mr. Zhong Ming

(Independent and Non-Executive Director)

Registered Office

17 Baidi Road,
Nankai District,
Tianjin, the PRC

23 May 2025

To: The Shareholders of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

Dear Sir/Madam

THE 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

1. INTRODUCTION

1.1 Overview

On 27 September 2024, the Company announced that it had, on the same date, entered into an equity transfer agreement with TPH and Haleon China, under which the Company transferred a 13% equity interest in the registered capital of the Target Company to Haleon China for a consideration of RMB1,758,755,555.56 (i.e. 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 (i.e. the TPH Disposal).

The 2024 DRT Disposal was approved by the Board at its 6th Board meeting for FY2024, and by Shareholders at the 2nd EGM 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.

LETTER TO SHAREHOLDERS

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, on 15 April 2025, the Company announced that it now proposes to further dispose of its remaining 12% equity interest in the Target Company (i.e. the Proposed DRT Disposal), comprising:

- (a) a 4.6% equity interest to be transferred to Haleon China (i.e. the Haleon China Acquiring Equity Interest) for a consideration of RMB622,328,888.89 (i.e. the Haleon China Transfer Price); and
- (b) a 7.4% equity interest to be transferred to Haleon CH SARL (i.e. the Haleon CH SARL Acquiring Equity Interest) for a consideration of RMB1,001,137,777.78 (i.e. the Haleon CH SARL Transfer Price).

As stated in the Announcement, the Company, on 15 April 2025, 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.

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 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) 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.

1.2 2025 1st EGM

The Directors are convening the 2025 1st EGM to be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m. to seek Shareholders' approval for the Proposed DRT Disposal. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval for, the Proposed DRT Disposal.

LETTER TO SHAREHOLDERS

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

1.4 SGX-ST

The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions made or reports contained in this Circular.

1.5 Legal Adviser

Shook Lin & Bok LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed DRT Disposal.

2. THE PROPOSED DRT DISPOSAL AND THE EQUITY TRANSFER AGREEMENT

2.1 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 Circular 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 Circular.

(a) Information on Haleon China

Haleon China, a limited liability company incorporated in the PRC on 11 August 2015, is principally engaged in manufacturing and distribution, including, amongst others, the manufacturing of oral health products, vitamins, minerals and supplements and branded chemical medicines. For the full details of Haleon China's business scope, please refer to the Announcement.

As at the Latest Practicable Date,

- (i) Haleon China is a wholly-owned subsidiary of Haleon UK;
- (ii) Haleon China has a registered capital of RMB1,951.61 million;
- (iii) 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); and
- (iv) the legal representative of Haleon China is Ms. Gu Haiying (顾海英).

LETTER TO SHAREHOLDERS

To the best of the Company's Directors' knowledge, Haeon China and its controlling shareholder(s) are not related to any of the Company's Directors, Controlling Shareholder(s), chief executive officer or their respective associates¹. Based on the latest information available to the directors of the Haeon China and as at the Latest Practicable Date, Haeon China has confirmed to the Company that it does not have any shareholding interest, direct or indirect, in the Company.

(b) Information on Haeon CH SARL

Haeon CH SARL (CHE-102.429.188), a limited liability company (Société à responsabilité limitée) duly incorporated and validly existing under Swiss law with its registered address at Route de l'Etraz, 1197 Prangins, is an investment holding company and business services provider under Haeon plc.

As at the Latest Practicable Date,

- (i) Haeon CH SARL is a wholly-owned subsidiary of Haeon UK; and
- (ii) the board of directors of Haeon CH SARL comprises Aurélien Uldry Lebet, Alberto Banchik, and Marianne Lysser.

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 associates². Based on the latest information available to the directors of Haeon CH SARL and as at the Latest Practicable Date, Haeon CH SARL has confirmed to the Company that it does not have any shareholding interest, direct or indirect, in the Company.

(c) Information on the Target Company

The Target Company, a limited liability company incorporated in the PRC on 23 September 1984, is principally engaged in the manufacturing and distribution of branded chemical medicines. For the full details of the Target Company's business scope, please refer to the Announcement.

¹ As defined in this Circular, "**associates**" 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 any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; 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.

² *Ibid.*

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date,

- (i) the Target Company has a registered and paid-up capital of USD29,940,000, with its shareholders being Haleon UK, Haleon China and the Company, holding 55%, 33% and 12%, respectively;
- (ii) the board of directors of the Target Company comprises Ms. Gu Haiying (顾海英), Mr. Xing Jianhua (辛建华), Ms. Zhang Lei (张蕾), Ms. Xu Lifang (徐丽芳), and Mr. Sui Jinguo (睢金国); and
- (iii) the legal representative of the Target Company is Ms. Gu Haiying (顾海英).

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

2.2 Financial Information

2.2.1 Key Financial Information

(a) Haleon China

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

Items	As at 31 December 2022 (audited) (RMB'000)	As at 31 December 2023 (audited) (RMB'000)
Total assets	2,945,052.0	3,256,142.0
Total liabilities	2,927,356.7	3,208,174.9
Net assets	17,695.4	47,967.1
Items	January to December 2022 (audited) (RMB'000)	January to December 2023 (audited) (RMB'000)
Revenue	743,302.9	783,384.5
Operating profit/(loss)	(135,375.9)	(41,482.8)
Total profit	(59,679.3)	30,271.5
Net profit/(loss)	(59,803.3)	30,271.7

Note:

- (1) As a result of the adoption of new accounting standards, the financial information of Haleon China for FY2024 is not available as at the Latest Practicable Date. Accordingly, the audited financial information of both Haleon China and Haleon CH SARL for FY2022 and FY2023 has been disclosed in this Circular to ensure consistency of presentation.

LETTER TO SHAREHOLDERS

(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

Note:

- (1) As a result of the adoption of new accounting standards, the financial information of Haleon China for FY2024 is not available as at the Latest Practicable Date. Accordingly, the audited financial information of both Haleon China and Haleon CH SARL for FY2022 and FY2023 has been disclosed in this Circular to ensure consistency of presentation.

(c) The Target Company

For the purposes of the Proposed DRT Disposal, the Company's management has engaged CAC Certified Public Accountants LLP (中审华会会计事务所) (i.e. CAC) to conduct an audit on the financial statements of the Target Company and to issue the Auditors' Report. Based on the Auditors' Report, 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 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.

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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

A copy of the Auditors' Report is set out in **Appendix A** to this Circular.

2.2.2 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 to perform an appraisal on the market value of the total shareholders' equity of the Target Company.

(a) Independent Valuer

The previous valuation work undertaken by the Independent Valuer for listed entities in the pharmaceutical industry includes, amongst others:

- (i) the Company in relation to the 2024 DRT Disposal;
- (ii) JOINN Laboratories (China) Co., Ltd. (北京昭衍新药研究中心股份有限公司) ("**JOINN Laboratories**") (listed on both the SSE and the Stock Exchange of Hong Kong Limited) in relation to the assessment of the preference shares held by JOINN Laboratories in JOINN Biologics Inc.;
- (iii) Hunan Nucien Pharmaceutical Co., Ltd. (湖南南新制药股份有限公司) (listed on the STAR Market of the SSE) in relation to its proposed acquisition of 51% equity interest in Synermore Biologics (Suzhou) Co., Ltd. (兴盟生物医药 (苏州) 有限公司);
- (iv) China Resources Double-Crane Pharmaceutical Co., Ltd. (华润双鹤药业股份有限公司) (listed on the SSE) in relation to its proposed introduction of the Asian

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regional patent for CX2101 and all related proprietary technologies and rights in the Asian region held by Ligand Pharmaceuticals Inc.; and

- (v) Chengdu Kanghong Pharmaceutical Group Co., Ltd. (成都康弘药业集团股份有限公司) (listed on the Shenzhen Stock Exchange) in relation to the valuation of the recoverable amount of the IOP asset group (including goodwill) for the purposes of goodwill impairment testing in connection with financial reporting.

(b) Valuation Conclusion

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, as at 31 December 2024 (i.e. 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%.³

(c) Key Elements of the Methodology

In arriving at its valuation conclusion, the discounted cash flow method under the income approach has been adopted to assess the overall enterprise value of the Target Company, which is then used to indirectly derive the total equity value attributable to the shareholders of the Target Company.

³ In asset transactions, the primary objective of investors is to generate returns.

The transaction price of an asset is determined by its ability to generate future economic benefits and the level of such expected returns, rather than by the historical cost of acquiring or constructing the asset.

The income approach is a valuation method that determines value by capitalising or discounting the expected future returns of the appraised subject. As this method is based on the asset's future income-generating potential, it is widely accepted in market economies.

The Target Company has been operating for many years with a stable business structure, operating model, and profitability. It has maintained comprehensive historical data relating to its core business, and as at the Appraisal Base Date, the management has developed a clear business plan. The Target Company's future earnings can be reasonably forecasted and measured in monetary terms, and the associated risks can also be quantified. In view of the above, the income approach is considered appropriate and has been adopted for the valuation of the Target Company.

The Target Company's profitability has remained relatively stable in recent years. Due to the impact of the COVID-19 pandemic, the Company operated at full capacity in 2022 and 2023, resulting in temporarily elevated gross margins. In 2024, margins began to normalise. The net profit margin and return on equity fluctuated in tandem with changes in gross margin, but overall remained at a high and stable level, indicating the Company's strong profitability. The Target Company also demonstrated strong growth momentum in 2023, with notable increases in revenue, profitability, and total assets. In 2024, key growth indicators declined, reflecting a return to normal operating levels and a clear slowdown in growth.

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The enterprise value comprises:

- (i) the value of operating assets arising from normal business operations; and
- (ii) the value of non-operating assets not related to the core business activities.

For the purpose of determining the value of operating assets, the free cash flow to firm (FCFF) model is adopted. Under this model, the enterprise's projected free cash flows over a forecast period are discounted to present value using an appropriate discount rate and then aggregated.

The total shareholders' equity value is derived based on the following formula:

$$\text{Total shareholders' equity value} = \text{Overall enterprise value} - \text{Interest-bearing debt value}$$

- (i) Overall Enterprise Value

The overall enterprise value refers to the sum of the total equity value attributable to shareholders and the value of interest-bearing debt. Based on the Target Company's asset allocation and utilisation, the overall enterprise value is calculated as follows:

$$\text{Overall enterprise value} = \text{Operating asset value} + \text{Surplus asset value} + \text{Non-operating asset value} - \text{Non-operating liability value}$$

- (A) Operating Asset Value

Operating assets refer to those assets and liabilities related to the Target Company's core business operations and which form part of the projected free cash flows after the Appraisal Base Date.

As at the Appraisal Base Date, the value of the operating assets of the Target Company is approximately RMB9,201,169,200.

- (B) Surplus Asset Value

Surplus assets refer to those assets which, as at the Appraisal Base Date, exceed the operational needs of the enterprise and are not involved in the projection of free cash flows after the Appraisal Base Date. Such surplus assets are evaluated separately from operating assets.

As calculated, the surplus assets of the Target Company as at the Appraisal Base Date amount to approximately RMB601,109,500.

- (C) Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities refer to those assets and liabilities that are not related to the Target Company's core business operations and are not involved in the projection of free cash flows after the Appraisal Base Date. These items are evaluated separately from the operating assets and liabilities.

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As at the Appraisal Base Date, the combined appraised value of the non-operating assets and non-operating liabilities of the Target Company is approximately RMB184,785,600.

Accordingly, as at the Appraisal Base Date, the overall enterprise value of the Target Company is approximately RMB9,987,064,400.

(ii) Interest-bearing Debt Value

Interest-bearing debt refers to liabilities that require the payment of interest by the Target Company as at the Appraisal Base Date. Such liabilities, if any, are evaluated separately.

As at the Appraisal Base Date, the Target Company had no interest-bearing debt.

(iii) Total Shareholders' Equity Value

Based on the above valuation assessment, the total shareholders' equity value of the Target Company is approximately RMB9,987,064,400 as at the Appraisal Base Date.

(d) Valuation Assumptions

The following valuation assumptions have been adopted for the purpose of preparing the Asset Appraisal Report:

- (i) it is assumed that the asset(s) to be appraised have entered into the transaction process, and the Independent Valuer has assessed the value based on the assumed transaction terms and prevailing market conditions;
- (ii) it is assumed that market participants are well-informed and act in their own best interests, with sufficient opportunity to obtain market information and consider the transaction, and that the transaction price is formed fairly through rational and voluntary negotiations between the buyer and seller for comparable assets in the market;
- (iii) it is assumed that the prevailing laws, regulations and policies of the PRC and macroeconomic conditions will remain generally stable, and that there will be no material changes in the political, economic or social environments of the region where the asset(s) are located;
- (iv) it is assumed that the Target Company will continue as a going concern after the expiration of its registered business term and will maintain normal operations;
- (v) it is assumed that interest rates, exchange rates, tax bases, tax rates, and policy-related fees applicable to the Target Company will not experience significant changes after the Appraisal Base Date;
- (vi) it is assumed that the management of the Target Company will remain responsible, stable, and capable of operating the business effectively after the Appraisal Base Date;

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- (vii) unless otherwise specified, it is assumed that the Target Company is in compliance with all applicable laws and regulations;
- (viii) it is assumed that there are no material adverse effects arising from *force majeure* or unforeseeable factors that would significantly affect the Target Company's continued operations or profitability after the Appraisal Base Date;
- (ix) it is assumed that the accounting policies adopted by the Target Company after the Appraisal Base Date will remain consistent in all material respects with those adopted in the preparation of the Asset Appraisal Report;
- (x) it is assumed that, based on the current management structure and capabilities, the scope and manner of operations of the Target Company will remain consistent after the Appraisal Base Date;
- (xi) it is assumed that the cash inflows and outflows of the Target Company after the Appraisal Base Date will occur evenly over the period (i.e. on an average basis);
- (xii) it is assumed that the Target Company will continue to have access to the necessary production and sales permits for its products (including related technologies, trademarks, and other rights) after the Appraisal Base Date;
- (xiii) it is assumed that there will be no material changes in the Target Company's operating model, product portfolio, or pricing levels after the Appraisal Base Date;
- (xiv) it is assumed that the supply model, supply prices, and payment terms for the active pharmaceutical ingredients (APIs) and finished pharmaceutical products of the Target Company will remain unchanged after the Appraisal Base Date; and
- (xv) it is assumed that there will be no material discrepancy between the actual audited financial data for FY2024 as disclosed by comparable companies after the Appraisal Base Date and the net profit attributable to the parent company adopted in the Asset Appraisal Report.

(e) Valuation Approaches

For Shareholders' information, apart from the income approach, the Independent Valuer has also considered the market approach in the valuation of the market value of the total shareholders' equity of the Target Company. The table below sets out the appraised value of the market value of the total shareholders' equity of the Target Company as at 31 December 2024 (i.e. the Appraisal Base Date), using both the income approach and the market approach:

Approaches	Book value (RMB'000)	Appraised value (RMB'000)	Increase/ (Decrease) (RMB'000)	Appreciation/ (Depreciation) rate (%)
Income approach	1,071,740.9	9,987,064.4	8,915,323.5	831.85%
Market approach	1,071,740.9	9,729,477.0	8,657,736.1	807.82%

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As set out in Section 2.2.2(b) of this Circular above, the Independent Valuer has adopted the appraisal result based on the income approach as the final valuation conclusion, following a comprehensive analysis of the two valuation methods.

The income approach and the market approach are based on different valuation perspectives:

- **Income Approach:** Estimates the value of the subject by capitalising or discounting the expected future earnings of the appraised entity, thereby reflecting the integrated earning capacity of its underlying assets.
- **Market Approach:** Assesses value from the perspective of market comparables and reflects how the open market would evaluate the enterprise under normal and fair-trading conditions.

The income approach is considered more appropriate due to the following:

- (i) the Target Company has operated continuously for many years with a stable product portfolio and business model;
- (ii) it better captures the enterprise's overall profitability; and
- (iii) it factors in qualitative elements such as product competitiveness, management expertise, and the strength of the sales team.

The market approach, in contrast, faces the following limitations:

- (i) the number of truly comparable listed companies is limited;
- (ii) selected comparables differ materially in terms of asset scale, operating model, development stage, background, and strategic positioning; and
- (iii) valuation results are more sensitive to share price fluctuations, resulting in higher uncertainty.

Accordingly, the income approach was selected as the basis for the valuation conclusion.

A copy of the summary of the Asset Appraisal Report is set out in **Appendix B** to this Circular.

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2.3 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 negotiations⁴ 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 Section 2.2.1(c) of this Circular, and the appraisal result as set out in Section 2.2.2 of this Circular. 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.

2.4 Principal Terms of the Equity Transfer Agreement

2.4.1 Transfer of Equity Interest

Pursuant to the Equity Transfer Agreement:

- (a) The Company agrees to sell the Haeon China Acquiring Equity Interest, free from all Encumbrances⁵ and together with all rights attaching to the Haeon China Acquiring Equity Interest (including all rights to receive dividend in respect of the Haeon China Acquiring Equity Interest as from the Locked Box Date (i.e. 31 December 2024)), to Haeon China in consideration of RMB622,328,888.89 (i.e. the Haeon China Transfer Price) and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement. Haeon China agrees to acquire the Haeon China Acquiring Equity Interest from the Company in consideration of the Haeon 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 Haeon CH SARL Acquiring Equity Interest, free from all Encumbrances⁶ and together with all rights attaching to the Haeon CH SARL Acquiring Equity Interest (including all rights to receive dividend in respect of the Haeon CH SARL Acquiring Equity Interest as from the Locked Box Date (i.e. 31 December 2024)), to Haeon CH SARL in consideration of RMB1,001,137,777.78 (i.e. the Haeon CH SARL Transfer Price) and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement. Haeon CH SARL agrees to acquire the Haeon CH SARL Acquiring Equity Interest from the Company in consideration of the Haeon CH SARL Transfer Price and in accordance with the other terms and conditions agreed under the Equity Transfer Agreement.

⁴ For the avoidance of doubt, the Proposed DRT Disposal is a standalone commercial arrangement, and does not arise from the exercise of the call option (the "**Call Option**") by Haeon China or the Put Option (the "**Put Option**") by the Company (as the case may be), each as defined in the amended and restated equity joint venture contract entered into among Haeon HK, Haeon China and the Company in 2024 (the "**Restated JVA**"). Accordingly, the provisions in relation to the Option Price (as defined in the Restated JVA) were not taken into consideration in determining the Transfer Price. For further details of the Call Option, Put Option and Option Price, please refer to the Company's circular dated 7 November 2024.

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.

⁶ *Ibid.*

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- (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.

2.4.2 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 the 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 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

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.

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.

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- (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 Section 2.4.2(a)(i) of this Circular 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 Section 2.4.2(a)(i) of this Circular and will not be held liable for breach of contract as a result.

2.4.3 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.
- (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 Section 2.4.3(b)(i) of this Circular (the confirmation of such inspection result not to be unreasonably withheld or delayed by Haleon China), Haleon China shall pay the Haleon China Transfer Price to the Company in full in one lump sum to the Designated Bank Account (as defined below) for receiving the Haleon 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 Section 2.4.3(b)(ii) of this Circular (the confirmation of such inspection result not to be unreasonably withheld or delayed by Haleon CH SARL), Haleon CH SARL shall pay the Haleon CH SARL Transfer

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.

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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 Section 2.4.3(b) of this Circular 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 Section 2.4.3(e) of this Circular or Haeon CH SARL Closing shall have been completed pursuant to Section 2.4.3(f) of this Circular (as applicable).
- (e) Subject to Section 2.4.6(d) of this Circular, simultaneously with delivery of all documents required to be delivered pursuant to Section 2.4.3(b)(i) of this Circular on the Closing Date and the receipt of the Haeon China Transfer Price by the Company, the documents delivered pursuant to Section 2.4.3(b)(i) of this Circular 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 Section 2.4.3(b)(i) of this Circular shall take effect and only take effect upon the Completion of Haeon China Closing.
- (f) Subject to Section 2.4.6(d) of this Circular, simultaneously with delivery of all documents required to be delivered pursuant to Section 2.4.3(b)(ii) of this Circular on the Closing Date and the receipt of the Haeon CH SARL Transfer Price by the Company, the documents delivered pursuant to Section 2.4.3(b)(ii) of this Circular 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 Section 2.4.3(b)(ii) of this Circular 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 Sections 2.4.3(b), 2.4.3(c), 2.4.3(d), 2.4.3(e) and 2.4.3(f) of this Circular shall remain applicable to such postponed Closing).

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- (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 Haeon 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 Haeon 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

2.4.4 Registration of Transfer

- (a) After the satisfaction of the Condition Precedent set forth as items (i), (ii) and (iii) under Section 2.4.2(a) of this Circular, the Parties shall promptly perform, and the Company shall procure that the incumbent director nominated by the Company to, and the Transferees shall procure Haeon UK and the incumbent directors nominated by Haeon China and Haeon 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 Haeon 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 Haeon China Closing and the Completion of Haeon CH SARL Closing.

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- (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).

2.4.5 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.

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- (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.

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.

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- (e) In respect of the satisfaction of the Condition Precedent set forth as item (i) under Section 2.4.2(a) of this Circular, 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 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 fail 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 Section 2.4.5(e)(ii) of this Circular 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

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 and resolved on by the general meeting of the Company for approving the Proposed DRT Disposal as set out in Section 2.4.2(a)(i) of this Circular 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.

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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 Section 2.4.2(a) of this Circular as soon as reasonably practicable and in any event no later than on the Long Stop Date.

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 Section 2.4.2(a) of this Circular 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 Section 2.4.2(a) of this Circular as soon as reasonably practicable and in any event no later than on the Long Stop Date.

2.4.6 Termination

Pursuant to the Equity Transfer Agreement:

- (a) If any of the Conditions Precedent as set out under Section 2.4.2(a) of this Circular 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 Section 2.4.6, and shall be held liable for breach of contract in accordance with the provision as set out in Section 2.4.7(c) of this Circular, 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 Section 2.4.6(c) unless the Company is the Defaulting Party under Section 2.4.6(c)(ii) or Section 2.4.6(c)(iii) of this Circular:
 - (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;

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- (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 Section 2.4.5 of this Circular), 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 Section 2.4.6(c) of this Circular, (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 Section 2.4.6(c) of this Circular and provided that each Condition Precedent have been satisfied in accordance with the provision as set out in Section 2.4.2(a) of this Circular, the 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 Sections 2.4.3(b), (c), (d), (e) and (f) of this Circular 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 Section 2.4.6(c) of this Circular, the Non-defaulting Party has the right to unilaterally terminate the Equity Transfer Agreement in accordance with the provision as set out in Section 2.4.6(c) of this Circular.
- (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 Sections 2.4.6(e), 2.4.7(b) and 2.4.8 of this Circular, 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.

2.4.7 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 HALEON China Closing and/or the Completion of HALEON CH SARL Closing (as applicable) or (ii) termination of the Equity Transfer Agreement.

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- (b) If the Equity Transfer Agreement is unilaterally terminated in accordance with the provision as set out in Section 2.4.6(c) of this Circular, 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 Sections 2.4.5(a)(iv) or 2.4.5(a)(v) of this Circular, the Company shall not be liable for paying the liquidated damages under this Section 2.4.7(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 Section 2.4.7 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 Section 2.4.7 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 Section 2.4.7 of this Circular shall not exceed the Haeon CH SARL Transfer Price.
- (g) If either Haeon China or Haeon CH SARL is, or both 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 Section 2.4.7 for default (including for the liquidated damages as set out under Section 2.4.7(b) of this Circular, and related liability for breach of the obligation to pay the Transfer Price under Section 2.4.3 of this Circular) 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 Section 2.4.7 (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.

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2.4.8 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 Section 2.4.8(b) of this Circular, 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.

2.5 Rationale for, and Benefits of, the Proposed DRT Disposal

The Directors are unanimously of the view that the Proposed DRT Disposal¹⁶ 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;

¹⁶ As mentioned above, the Proposed DRT Disposal is a standalone commercial arrangement and does not arise from the exercise of the Call Option (as defined in the Restated JVA) by Haleon China or the Put Option (as defined in the Restated JVA) by the Company (as the case may be). Please refer to the Company’s circular dated 7 November 2024 for further information.

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- (b) the Proposed DRT Disposal is expected to unlock the value of the Company's investment in the Target Company and provide the Company with immediate cash inflows and an estimated gain on disposal of approximately RMB1.54 billion (after deducting the investment book value), which is expected to enhance the Company's financial position and the long-term shareholder 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.

2.6 Chapter 10 of the Listing Manual

2.6.1 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. Pursuant to Rule 1014(2) of the Listing Manual, a major transaction must be made conditional upon approval by shareholders in general meeting.

2.6.2 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	3.31% ⁽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⁾

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Rule	Bases of Computation	Relative Figures
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 RMB2,578,782,876 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.

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As the relative figure computed based on Rule 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 Section 1.1 of this Circular, 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.

2.6.3 *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 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.

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(c) Effect on 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)	2,578,783,000	4,035,797,000
Weighted average number of Shares	771,061,071	771,061,071
EPS (RMB)	3.34	5.23

Note:

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

2.6.4 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.

2.6.5 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, amongst others:

- (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.

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2.6.6 Directors' and Controlling Shareholders' Interests in the Proposed DRT Disposal

As at the Latest Practicable Date, 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) as set out in Section 3 of this Circular.

2.6.7 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.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The details of the Directors' and Substantial Shareholders' interest in the Shares as at the Latest Practicable Date are set out below:–

	Direct Interest		Deemed Interest	
	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾
Directors				
Wang Lei	–	–	–	–
Guo Min	–	–	–	–
Zhou Hong	23,800 ⁽²⁾	0.003	–	–
Shang Mingjie	–	–	–	–
Mao Weiwen	–	–	–	–
Xing Jianhua	–	–	–	–
Yeo Guat Kwang	–	–	–	–
Liew Yoke Pheng Joseph	–	–	–	–
Zhong Ming	–	–	–	–
Substantial Shareholder(s)				
TPH	325,855,528	42.31	5,265,000 ⁽³⁾	0.68

Notes:

- (1) Based on the total issued share capital of 770,094,356 Shares as at the Latest Practicable Date.
- (2) These are the Restricted A-Shares granted and issued under the Scheme.
- (3) Pursuant to Section 4 of the SFA, TPH is deemed interested in the 5,265,000 Shares in the capital of the Company held by its wholly-owned subsidiary, Tianjin Pharmaceutical (Singapore) International Investment Pte. Ltd..

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4. DIRECTORS' RECOMMENDATION

Having considered, amongst others, the Transfer Price, the basis for the consideration, the terms of the Equity Transfer Agreement, the rationale for, and benefits of, the Proposed DRT Disposal and the financial effects thereof, the Directors are of the opinion that the Proposed DRT Disposal is in the best interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend that the Shareholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed DRT Disposal as set out in the Notice of EGM.

In giving the above recommendation, the Directors have not had regard to any individual Shareholder's, or any specific group of Shareholders', general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints. As different Shareholders have different investment profiles and objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

5. EXTRAORDINARY GENERAL MEETING

The 2025 1st EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the resolution(s) (with or without modifications) as set out in the Notice of EGM.

S-Share Shareholders may participate in the 2025 1st EGM via the video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore by:

- (a) attending the 2025 1st EGM in person;
- (b) submitting substantial and relevant questions relating to the resolution(s) to be tabled for approval at the 2025 1st EGM, in advance of, or at, the 2025 1st EGM; and/or
- (c) voting at the 2025 1st EGM (i) themselves, or (ii) through their duly appointed proxy(ies).

Details of the submission of questions and voting at the 2025 1st EGM by Shareholders (including S-Share Shareholders) are set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY S-SHARE SHAREHOLDERS

S-Share Shareholders who wish to vote but who are unable to attend the 2025 1st EGM and wish to appoint a proxy(ies) to attend and vote at the 2025 1st EGM on their behalf must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive by (i) post at the office of the Company's S-Shares Registrar and Singapore Shares Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower

LETTER TO SHAREHOLDERS

#14-07, Singapore 098632, or (ii) email at srs.proxy@boardroomlimited.com, no later than **2:00 p.m. on Saturday, 7 June 2025**.

The completion and return of a Proxy Form by a S-Share Shareholder does not preclude such S-Share Shareholder from attending, speaking and voting in person at the 2025 1st EGM should such S-Shareholder subsequently decide to do so. In such event, the appointment of the proxy(ies) for the 2025 1st EGM will be deemed to be revoked if the S-Share Shareholder attends the 2025 1st EGM in person, and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the 2025 1st EGM.

A S-Share Shareholder who intends to attend the 2025 1st EGM must be registered in the Register of Members, or where the registered holder is CDP, must be named as a Depositor in the Depository Register, as at a time not earlier than forty-eight (48) hours before the 2025 1st EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular 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 Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

8. CONSENTS

The auditors, CAC Certified Public Accountants LLP (中审华会计事务所), has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Auditors' Report (as set out in **Appendix A** to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

The Independent Valuer, China Enterprise Appraisal Co., Ltd. (北京中企华资产评估有限责任公司), has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, the summary of the Asset Appraisal Report (as set out in **Appendix B** to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

9. 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 15 April 2025 (being the date of the Announcement) in respect of items (c) and (e), and from the date of this Circular up to and including the date of the 2025 1st EGM in respect of items (a), (b), (d), and (f):

- (a) the Articles of Association of the Company;
- (b) the annual report of the Company for FY2024;
- (c) the Equity Transfer Agreement;
- (d) the Auditors' Report;
- (e) the Asset Appraisal Report and its summary; and
- (f) the letters of consent referred in Section 8 of this Circular.

Yours faithfully

For and on behalf of the Directors of

Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

Wang Lei

Chairman of the Board

APPENDIX A – AUDITORS' REPORT

Tianjin TSKF Pharmaceutical Co., Ltd.
January 2023 - December 2024
Audit Report on Financial Statements
CAC SZ [2025] No. 0319

CAC CPA Limited Liability Partnership (Special General Partnership)

This code is used to verify whether the audit report has been issued by a licensed accounting firm.
You may use your mobile device to "scan" the code or visit the "Unified Regulatory Platform for Certified Public Accountants" (<http://acc.mof.gov.cn>).
Code: Jin 25NZEACTSP



APPENDIX A – AUDITORS' REPORT

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APPENDIX A – AUDITORS' REPORT



CAC CPA Limited Liability Partnership

天津市和平区解放北路188号信达广场52层 邮编 300042
52/F Centre Plaza, No. 188 Jiefang Road, Naping District, Tianjin, P.R.C. Post 300042
电话 (Tel): 86 22 23193886 传真 (Fax): 86 22 23559045
网址 (Web): www.caccpa.com

Audit Report

CAC SZ [2025] No. 0319

To All Shareholders of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited:

I. Audit Opinion

We have audited the financial statements of Tianjin TSKF Pharmaceutical Co., Ltd. ("TSKF"), which include the balance sheets as of December 31, 2023, and December 31, 2024, the income statements, cash flow statements, statements of changes in owners' equity, and the related notes to the financial statements for the years 2023 and 2024.

In our opinion, the accompanying financial statements have been prepared in accordance with the *Accounting System for Business Enterprises* in all material respects and fairly present the financial position of TSKF as of December 31, 2023, and December 31, 2024, as well as its operating results and cash flows for the years 2023 and 2024.

II. Basis for Forming the Audit Opinion

We conducted our audit in accordance with the provisions of the Chinese Certified Public Accountant (CPA) Audit Standards. The section "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" in the audit report further elaborates our responsibilities under these standards. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we remain independent of TSKF and have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for issuing our audit opinion.

III. Responsibilities of Management and Governance for the Financial Statements

The management of TSKF ("Management") is responsible for preparing the financial statements in accordance with the *Accounting System for Business Enterprises* to achieve fair presentation. Management is also responsible for designing, implementing, and maintaining necessary internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error.



APPENDIX A – AUDITORS' REPORT

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless management intends to liquidate TSKF, cease operations, or has no other realistic alternative.

The governance body ("Governance") is responsible for overseeing the financial reporting process of TSKF.

IV. Responsibilities of Certified Public Accountants for Auditing the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing our audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement if one exists. Misstatements may result from fraud or error. If it is reasonably expected that individual or aggregated misstatements could influence the economic decisions of users based on the financial statements, they are generally considered material.

In the process of conducting the audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. In addition, we also perform the following tasks:

(1) Identify and assess the risks of material misstatement in the financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing our audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk of not detecting material misstatements due to error, as fraud may involve collusion, forgery, intentional omissions, false representations, or override of internal controls.

(2) Understand the internal controls relevant to the audit to design appropriate audit procedures, but our objective is not to express an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.

(4) Draw conclusions on the appropriateness of management's use of the going concern assumption. Furthermore, based on the audit evidence obtained, we conclude whether there is significant uncertainty about matters or conditions that may cast significant doubt on TSKF's ability to continue as a going concern. If we conclude that there is significant uncertainty, auditing standards require us to draw attention to the related disclosures in the financial statements in our audit report; if the disclosures are inadequate, we should issue a qualified opinion. Our conclusions are based on information available up to the date of the audit report. However, future events or circumstances may lead to TSKF's inability to continue as a going concern.

(5) Evaluate the overall presentation, structure, and content of the financial statements and assess whether the financial statements fairly reflect the relevant transactions and events.



APPENDIX A – AUDITORS’ REPORT

We communicate with the governance regarding the planned scope of the audit, timing arrangements, and significant audit findings, including discussing any significant internal control deficiencies identified during the audit.


中审华会计师事务所（特殊普通合伙）
CAC CPA Limited Liability Partnership
(Special General Partnership)
(Seal)
Seal: CAC CPA Limited
Liability Partnership (Special
General Partnership)

Chinese Certified Public
Accountant:
(Signature and Seal)


Ding Chen
Seal: Chinese
Certified Public
Accountant

Chinese Certified Public
Accountant:
(Signature and Seal)


Li Yuan
Seal: Chinese
Certified Public
Accountant Li

Tianjin, China

March 18, 2025



APPENDIX A – AUDITORS’ REPORT

Seal: Tianjin TSKF Pharmaceutical Co., Ltd. **Balance Sheet**

Prepared by: Tianjin TSKF Pharmaceutical Co., Ltd.

Currency:
Renminbi
(RMB)

Unit: Yuan

Item	Note	Amount as at December 31, 2024	Amount as at December 31, 2023
Current assets:			
Monetary funds	Annotation 1	5,064,493.28	4,183,407.13
Short-term investments	Annotation 2	1,307,350,938.57	1,367,457,230.06
Accounts receivable	Annotation 3	190,714,673.29	158,106,891.77
Other receivables	Annotation 4	138,929,057.69	137,043,893.94
Advances to suppliers		14,410,357.04	7,841,441.83
Inventory	Annotation 5	591,351,776.37	941,906,553.17
Other current assets		30,559,011.24	1,598,161.41
Total current assets		2,278,380,307.48	2,618,137,579.31
Non-current assets:			
Original price of fixed assets		1,020,392,358.16	1,063,594,096.97
Less: Accumulated depreciation		789,914,730.17	813,248,800.20
Net value of fixed assets		230,477,627.99	250,345,296.77
Less: Provision for impairment of fixed assets		15,152,828.41	15,364,987.95
Net amount of fixed assets	Annotation 6	215,324,799.58	234,980,308.82
Construction in Progress	Annotation 7	92,540,817.93	61,773,536.85
Total fixed assets		307,865,617.51	296,753,845.67
Intangible assets			
Intangible assets	Annotation 8	1,374,719.30	5,874,424.34
Deferred tax			
Deferred-tax assets	Annotation 9	165,060,006.17	167,078,100.85
Total assets		2,752,680,650.46	3,087,843,950.17



APPENDIX A – AUDITORS' REPORT

Balance Sheet (Continued)

Seal: Tianjin TSKF Pharmaceutical Co., Ltd. . .

Prepared by: Tianjin TSKF Pharmaceutical Co., Ltd.

Unit: Yuan

Currency:
Renminbi
(RMB)

Item	Note	Amount as at December 31, 2024	Amount as at December 31, 2023
Current liabilities:			
Accounts payable		548,196,597.97	621,296,835.81
Advances from customers		4,859,692.05	6,927,815.51
Wages Payable		40,195,094.96	54,431,810.75
Welfare payable	Annotation 10	38,119,015.71	50,005,274.00
Taxes payable	Annotation 11	67,480,954.74	137,431,229.14
Other payables		169,260,590.75	58,616,922.66
Accrued expenses		812,827,754.33	792,001,438.67
Total current liabilities		1,680,939,700.51	1,720,711,326.54
Total liabilities		1,680,939,700.51	1,720,711,326.54
Owners' equity:			
Paid-in capital	Annotation 12	173,712,005.40	173,712,005.40
Capital reserves	Annotation 13	5,000,000.00	5,000,000.00
Surplus reserves	Annotation 14	206,765,030.17	206,765,030.17
Undistributed profit	Annotation 15	686,263,914.38	981,655,588.06
Total owners' equity		1,071,740,949.95	1,367,132,623.63
Total liabilities and owners' equity		2,752,680,650.46	3,087,843,950.17

Legal Representative of the
Company: Gu Haiying

Person in charge of accounting affairs: Xu
Lifang

Person in charge of the accounting institution:
Chuan Lai Ong



APPENDIX A – AUDITORS’ REPORT

Income Statement

Seal: Tianjin TSKF Pharmaceutical Co., Ltd.



Currency:
Renminbi
(RMB)

Prepared by: Tianjin TSKF Pharmaceutical Co., Ltd.

Unit: Yuan

Item	Note	Year 2024	Year 2023
I. Income from primary business	Annotation 16	3,558,857,353.78	3,581,879,341.01
Less: Cost of primary business	Annotation 17	1,767,286,478.88	1,583,219,074.22
Taxes and surcharges on main business	Annotation 18	37,827,257.00	33,661,958.13
II. Profit from primary business		1,753,743,617.90	1,964,998,308.66
Plus: Profit on other business		26,676,943.31	24,165,195.79
Less: Operating expenses		677,998,897.75	592,048,679.51
General and administrative expenses		170,572,196.56	105,131,087.72
Plus: Net financial income	Annotation 19	20,900,560.71	21,314,850.06
III. Operating profit		952,750,027.61	1,313,298,587.28
Plus: Non-operating income		1,973,893.98	364,404.82
Less: Non-operating expenses	Annotation 20	4,465,725.11	3,805,371.66
IV. Total profit		950,258,196.48	1,309,857,620.44
Less: Income tax expenses	Annotation 21	239,298,694.30	328,202,032.38
V. Net profit		710,959,502.18	981,655,588.06

Legal Representative of the
Company: Gu Haiying

Person in charge of accounting affairs:
Xu Lifang

Person in charge of the accounting institution:
Chuan Lai Ong



APPENDIX A – AUDITORS’ REPORT

Cash Flow Statement

Seal: Tianjin TSKF Pharmaceutical Co., Ltd.

Prepared by: Tianjin TSKF Pharmaceutical Co., Ltd.

Currency: Renminbi
Unit: Yuan (RMB)

Item	Year 2024	Year 2023
I. Cash flows from operating activities		
Cash received from sales of product and rendering of services	3,957,665,166.53	4,229,170,784.06
Other cash received from operating activities		396,947.96
Sub-total of cash inflows from operating activities	3,957,665,166.53	4,229,567,732.02
Cash paid for purchase of products and rendering of services	1,645,065,810.37	1,876,725,612.75
Cash paid to and on behalf of employees	441,303,269.81	376,957,337.14
Cash paid for taxes and surcharges	571,053,215.18	583,823,895.00
Other cash paid for operating activities	734,276,829.21	242,485,150.86
Sub-total of cash outflows from operating activities	3,391,699,124.57	3,079,991,995.75
Net cash flows from operating activities	565,966,041.96	1,149,575,736.27
II. Cash flows from investing activities:		
Cash received from recovery of investments	62,537,651.07	
Cash received from returns on investments		20,888,469.91
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	33,868,325.54	463,913.35
Other cash received related to investing activities	20,900,668.37	
Sub-total of cash inflows from investing activities	117,306,644.98	21,352,383.26
Cash paid for acquisition & construction of fixed assets, intangible assets and other long-term assets		59,842,998.45
Cash paid for investments		410,852,351.71
Sub-total of cash outflows from investing activities		470,695,350.16
Net cash flows from investing activities	117,306,644.98	-449,342,966.90
III. Cash flows from financing activities:		
Cash paid for distribution of dividends or profit, or payment of interest	682,462,166.52	706,820,755.03
Sub-total of cash outflows from financing activities	682,462,166.52	706,820,755.03
Net cash flows from financing activities	-682,462,166.52	-706,820,755.03
IV. Net increase in cash and cash equivalents	810,520.42	-6,587,985.66
Plus: Cash and cash equivalents at the beginning of the period	4,172,192.41	10,760,178.07
V. Cash and cash equivalents at the end of the period	4,982,712.83	4,172,192.41

Legal Representative of the
Company: Gu Haiying

Person in charge of accounting
affairs: Xu Lifang

Person in charge of the accounting
institution: Chuan Lai Ong



APPENDIX A – AUDITORS' REPORT

Statement of Changes in Owners' Equity

Seal: Tianjin TSKF Pharmaceutical Co., Ltd.

Currency:
Renminbi
Unit: Yuan (RMB)

Prepared by: Tianjin TSKF Pharmaceutical Co., Ltd.

Item	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bonds	Others							
I. Balance as at the end of previous year:	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	981,656,588.06	1,367,132,623.63
Plus: Changes in accounting policies											
Correction of errors in previous period											
Others											
II. Balance as at the beginning of current year	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	981,656,588.06	1,367,132,623.63
III. Increase/Decrease in current year ("+" for decrease)	-	-	-	-	-	-	-	-	-	-295,391,673.68	-295,391,673.68
(I) Total comprehensive income										710,959,502.18	710,959,502.18
(II) Capital contributed or reduced by owners										-	-
1. Owner's capital injection										-	-
2. Capital contributed by holders of other equity instruments											-
3. Amount of stock payments recognized in equity											-
4. Other											-
(III) Profit distribution										-1,006,351,175.86	-1,006,351,175.86
1. Appropriation to surplus reserves										-1,006,351,175.86	-1,006,351,175.86
2. Distribution to owners										-120,000.00	-120,000.00
3. Other										-	-
(IV) Internal carry-forward of owners' equity										-	-
1. Capital reserves converted to paid-in capital										-	-
2. Surplus reserves converted to paid-in capital										-	-
3. Surplus reserves used to offset loss										-	-
4. Changes in the defined benefit plan transferred to retained earnings										-	-
5. Other comprehensive income transferred to retained earnings										-	-
6. Other										-	-
(V) Special reserves										-	-
1. Amount withdrawn for the current period										-	-
2. Amount used for the current period										-	-
(VI) Others										-	-
IV. Balance as at the end of current year	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	686,263,914.38	1,071,740,949.95

Legal Representative of the Company: Gu Haiying

Person in charge of accounting affairs: Xu Lifang

Person in charge of the accounting institution: Chuan Lai Ong



APPENDIX A – AUDITORS’ REPORT

Statement of Changes in Equity (Continued)

Seal: Tianjin TSKF Pharmaceutical Co., Ltd.

Currency:
Renminbi
Unit: Yuan (RMB)

Item	Paid-in capital	Year 2024			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bonds	Others							
I. Balance as at the end of previous year	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	706,940,755.03	1,092,417,790.60
Plus: Changes in accounting policies											
Correction of errors in previous period											
Others											
II. Balance as at the beginning of current year	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	706,940,755.03	1,092,417,790.60
III. Increase/Decrease in current year (Add for increase)											
(I) Total comprehensive income											
(II) Capital contributed or reduced by owners											
1. Owner's capital injection											
2. Capital contributed by holders of other equity instruments											
3. Amount of stock payments recognized in equity											
4. Other											
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners											
3. Other											
(IV) Internal carry-forward of owners' equity											
1. Capital reserves converted to paid-in capital											
2. Surplus reserves converted to paid-in capital											
3. Surplus reserves used to offset loss											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Other											
(V) Special reserves											
1. Amount withdrawn for the current period											
2. Amount used for the current period											
(VI) Others											
IV. Balance as at the end of current year	173,712,005.40	-	-	-	5,000,000.00	-	-	-	206,765,030.17	981,655,588.06	1,367,132,623.63

Legal Representative of the Company: Gu Haiying

Person in charge of accounting affairs: Xu Lifang

Person in charge of the accounting institution: Chuan Lai Ong



APPENDIX A – AUDITORS' REPORT

Notes to the Financial Statements of Tianjin TSKF Pharmaceutical Co., Ltd. ("TSKF")

January 1, 2023 to December 31, 2024

(The amounts herein are expressed in RMB unless otherwise specified)

Note I: Profile of TSKF

(I) Overview

Name: Tianjin TSKF Pharmaceutical Co., Ltd.

Registered address: Chenglinzhuang Industrial Zone, Dongli District, Tianjin

Date of establishment: September 23, 1984

Business term: September 23, 1984 to June 30, 2025

Registered capital: USD 29.94 million

(II) Nature of industry, business scope, and main Products or rendered services

Business scope: Manufacturing of pharmaceuticals (excluding the application of the processing of Chinese herbal pieces such as steaming, frying, roasting, and calcining, and the production of proprietary Chinese medicine formula products); Wholesale of pharmaceuticals; Retail of pharmaceuticals; Commissioned production of pharmaceuticals; Import and export of pharmaceuticals; Sales of pharmaceutical precursor chemicals; Production of Class II medical devices; Internet-based pharmaceutical information services (excluding services that require telecommunication business licenses); Food sales; Internet food sales; Catering services; Production of disinfectants (excluding hazardous chemicals); Operation of Class III medical devices. (For items subject to approval, the business cannot be carried out until the approval is obtained from relevant departments. Specific business items shall be based on the approval documents or licenses issued by the relevant departments) General Items: Sales of Class II medical devices; Import and export of goods; Import and export of food; Wholesale and retail of cosmetics; Sales of disinfectants (excluding hazardous chemicals); Sales of daily necessities; Wholesale and retail of sports goods and equipment; Sales of outdoor products; Internet sales (excluding goods requiring permits); Technical services, development, consultation, exchange, transfer, and promotion (excluding the development and application of human stem cells, gene diagnosis, and treatment technologies); Market planning; Health consultation services (excluding diagnosis and treatment services); Medical research and experimental development (excluding the development and application of human stem cells, gene diagnosis, and treatment technologies). (For items not subject to approval, the company shall lawfully conduct business activities autonomously based on its business license.) (The company is prohibited from investing in sectors that are restricted for foreign investments under the *Special Administrative Measures (Negative List) for Foreign Investment Access*.)

(III) History and development of the Company

Tianjin TSKF Pharmaceutical Co., Ltd. (hereinafter referred to as "the Company") was established as a Sino-foreign joint venture enterprise on September 23, 1984, in Tianjin, China, by Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited. (formerly known as Tianjin Zhongxin Pharmaceutical Group Co., Ltd.), Tianjin Pharmaceutical Holdings Co., Ltd. (collectively referred to as the "Chinese party"), and GlaxoSmithKline (China) Investment Co., Ltd. (hereinafter referred to as the "Foreign party"). The Chinese party holds 45% of the registered capital, and the foreign party holds 55%.



APPENDIX A – AUDITORS' REPORT

In August 2015, GlaxoSmithKline (China) Investment Co., Ltd. transferred its entire equity in the Company to Haeon UK Services Limited (formerly known as GlaxoSmithKline Consumer Healthcare (Overseas) Limited). The approved business term of the Company extends to September 2024 at the registered capital of USD 29.94 million. On July 17, 2022, GlaxoSmithKline PLC completed its business spin-off, and the Company's ultimate holding company was changed from GlaxoSmithKline PLC to Haeon PLC. The main business activities of the Company include the production, processing, packaging, and sales of pharmaceuticals and raw pharmaceutical materials. For details on investors' capital contributions, see Note IV. 12.

Note II: Main Accounting Policies and Estimates

1. Accounting system

The Company prepares its main financial statements in accordance with the *Accounting System for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China.

2. Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31 in the Gregorian calendar.

3. Basis for accounting and valuation

The Company's accounts are prepared on an accrual basis, and the prices are measured on the basis of historical costs,

4. Functional currency and translation of foreign currencies

The Company's functional currency is RMB. Foreign currency transactions are converted into RMB using the exchange rates published by the People's Bank of China on the first day of the transaction month. At the end of the year, monetary foreign currency assets and liabilities are translated at the exchange rate on the balance sheet date as published by the People's Bank of China. Foreign exchange differences, except for those related to the acquisition of fixed assets, are recognized as gain or loss on the exchange in current period.

5. Criteria for the determination of cash and cash equivalents

Cash equivalents refer to short-term and highly-liquid investments held by the Company that are easily convertible into known amounts of cash and subject to minimal risk of value changes.

6. Provision for bad debts

Provision for bad debts refers to the estimate of accrual by the Company based on individually identified receivables that show signs of difficulty in recovery and an aging analysis. The provision for bad debts of other receivables is accrued by estimating corresponding recoverability. Air based on the nature.

(1) Accounting method for loss on bad debts: The allowance method is used, where the provision is made based on the recoverability of receivables. For receivables from related parties, where recoverability is distinctly different from other non-related-party receivables, a specific identification is made for accrual of special provision for bad debts. For other non-related-party receivables, where no specific accrual is made, the provision for bad debts is generally made based on an aging analysis, with full withdrawal of provision for bad debts for receivables aged over one year.

7. Accounting methods for inventory

Inventory is measured at the cost or the net realizable value, whichever is lower.

Inventory cost includes purchase cost, processing cost, and other related costs. Inventory is



APPENDIX A – AUDITORS’ REPORT

recorded at actual cost upon acquisition. The FIFO (First-In, First-Out) method is used for cost calculation when the inventory is issued. In addition to the cost for procurement of raw materials, the goods in progress and finished products also include direct labor and an appropriate share of manufacturing overheads.

The Company uses a perpetual inventory system.

8. Investments

(1) Entrusted loans

Entrusted loans refer to the funds that are provided by the Company and are disbursed and recovered through financial institutions based on the Company’s specified loan targets, purposes, amounts, terms and interest rates.

Entrusted loans are initially recognized at the cost of the initial investment, which is the total amount actually paid at the time of the loan disbursement, including the handling fees and other related expenses.

The Company accrues interest on entrusted loans based on the duration of the loan utilization and the applicable interest rate, and is recognized in profit or loss. If the accrued interest cannot be recovered by the payment date, the Company will discontinue the accrual of interest on the related entrusted loans and will offset the previously accrued interest against the current period's profit or loss.

The Company accrues the provision for impairment of entrusted loans, and the net amount after such provision is recorded on the balance sheet. Loans with a term of one year or less (including one year) are classified as short-term investments. Loans exceeding one year are classified as long-term debt investments, with portions maturing within one year (including one year) categorized as "long-term debt investments maturing within one year".

9. Fixed assets and construction in progress

Fixed assets are recorded on the balance sheet at cost less the accumulated depreciation and provision for impairment. Construction in progress is recorded on the balance sheet at cost, less impairment provisions.

All direct and indirect costs related to the acquisition of fixed assets incurred before the assets reach the intended state of readiness for use - including borrowing costs incurred from dedicated borrowings during the acquisition period (including profit or loss on foreign exchange associated with the principal and interest) - are fully capitalized as construction in progress.

Construction in progress is transferred to fixed assets when it reaches the intended state of readiness for use. No depreciation is accrued for construction in progress.

The Company uses the straight-line method to calculate depreciation on fixed assets over their estimated useful lives. The estimated useful lives and estimated net residual value rate for different categories of fixed assets are as follows:

	<u>Estimated useful life</u>	<u>Estimated net residual value rate</u>	<u>Depreciation rate</u>
Buildings and constructions			
- Land use rights	50 years	0%	2.00%
- Construction costs	5-20 years	0%	5.00-20.00%
Machinery equipment	3-20 years	0%	5.00-33.33%
Office equipment	3-15 years	0%	6.67-33.33%



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10. Leases

Operating lease payments are recognized as expenses on a straight-line basis over the tenancy.

11. Intangible assets

Intangible assets are recorded on the balance sheet at cost less accumulated amortization and provision for impairment. Intangible assets are measured at their actual cost at acquisition. For intangible assets contributed by investors, the actual cost is based on the values as agreed upon by the parties involved. For self-developed intangible assets obtained through legal procedures, the actual cost is determined by the registration fees, attorney fees, and other expenses incurred at the time of acquisition. Research and development expenses incurred prior to legal acquisition are charged directly to the profit or loss in current period. For purchased intangible assets, the actual cost is based on the amount actually paid.

The cost amortization of intangible assets is calculated using the straight-line method over the benefit period specified in the contract or the legally prescribed duration, whichever is shorter. If no benefit period is specified and no effective duration is prescribed by law, the amortization period is less than 10 years.

The amortization periods for various intangible assets are as follows:

	<u>Estimated useful life</u>	<u>Estimated net residual value rate</u>	<u>Amortization rate</u>
Software	3 years	0%	33.33%
Patent	5-20 years	0%	20.00%

12. Provision for impairment of assets

The Company regularly conducts reviews on the carrying values of its assets (including entrusted loans, fixed assets, construction in progress, intangible assets and other assets) to determine whether their recoverable amounts have declined below their carrying values. When events or circumstances indicate that an asset's carrying value may not be recoverable, an impairment test shall be carried out. If impairment occurs, the carrying value will be impaired to its recoverable amount, while the value impaired shall be recognized as the loss on impairment.

The recoverable amount refers to the asset's net selling price or the present value of estimated future cash flows from its continued use and disposal at the end of its useful life, whichever is greater.

The Company calculates impairment loss on an individual asset basis, and recognizes it in current period's gain or loss.

If there are indications that the factors leading to the recognition of asset impairment in previous years have changed, such that the recoverable amount of the asset exceeds its carrying value, the impairment loss identified in previous years may be reversed. The reversed impairment loss will be recognized in the profit or loss of the current period; however, the carrying value of the asset after the reversal must not exceed the amount that would have been determined if no impairment had been recognized.

13. Income tax

Income tax expense is recognized based on the tax effect accounting method. Current tax expense includes the income tax payable for the period as well as changes in deferred tax assets and liabilities.

The current income tax payable is calculated from the taxable income for the period and the applicable tax rate.

Deferred tax items are the provisions calculated using the deferred method. This method is used



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for calculations of deferred tax items based on timing differences arising from discrepancies between the timing of income, expenses, or loss determined under tax law and accounting standards, resulting in differences between pre-tax accounting profit and taxable income. When tax rates change or new taxes are introduced, the deferred tax method does not adjust the previously determined income tax effects of timing differences; However, any reversal of these amounts is recognized using the original tax rate.

Tax loss expected to offset the taxable income in future periods (within the same legal entity and jurisdiction) will be used to offset deferred tax liabilities. If it becomes unlikely that the benefits associated with deferred tax assets will be realized, the related deferred tax asset will be adjusted to reflect its expected realizable amount.

14. Estimated liabilities and contingent liabilities

The Company recognizes the provision for estimated liabilities when it assumes a present obligation arising from past events, the fulfillment of which is likely to cause an outflow of economic benefits, and the amount can be reliably estimated.

If the likelihood of an outflow of economic benefits is lower, or if the amount cannot be reliably estimated, the obligation will be disclosed as a contingent liability.

15. Recognition of income

Income shall be recognized when it is likely that economic benefits will flow to the Company, and both the income and associated costs can be reliably measured, with the following methods applied:

(1) Income from sales of products

Income from sales of products is recognized when the significant risks and rewards of ownership have been transferred to the buyer, and the Company retains neither ongoing managerial responsibility nor control over the products that have been sold.

(2) Income from rendering of services

When the outcome of any service transaction can be reliably determined, the income shall be recognized over the period in which the services are delivered, based on the extent of completion. This is measured by the proportion of costs incurred relative to the total estimated costs. If the outcome of the service transaction cannot be reliably estimated, the income shall be recognized based on the costs incurred that are expected to be recoverable.

(3) Interest income

Interest income is recognized on the time proportion basis after taking into account the principal outstanding and the rate applicable.

(4) Income from subsidies

Tax rebate subsidies are recognized in accordance with the fixed amounts of subsidies specified by government regulations. Other forms of income from subsidies are recognized upon receipt of the actual amounts of subsidies.

16. Repair and maintenance expenses

Repair and maintenance expenses (including major overhaul costs) are recognized in the profit or loss for the period in which they are incurred.

17. Rights distributed to shareholders

Dividends distributed are recognized in the statement of changes in owners’ equity upon



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approval.

18. Retirement welfare

In accordance with relevant Chinese regulations, the Company participates in a government-organized fixed-amount contribution retirement plan for employees. The Company contributes a certain percentage of employee wages to the retirement plan. The contributions above shall be recognized in asset costs or charged to profit or loss for the current period on an accrual basis. Once the contributions are made as per the plan, the Company will have no further payment obligations.

19. Related parties

Related parties are individuals or entities that have the ability to directly or indirectly control, jointly control, or exert significant influence over the Company, or vice versa. Alternatively, parties are considered related if they are subject to common control with the Company. Related parties can be either individuals or entities.

Note III: Taxes and Surcharges

<u>Type of tax</u>	<u>Basis of taxation</u>
Value-added tax (VAT)	The payable VAT is the balance after deducting the deductible input VAT from the output VAT. The output VAT is calculated at 13% of sales amount or 6% of service income as per relevant tax regulations

<u>Type of tax</u>	<u>Basis of taxation</u>
Urban maintenance and construction tax	Calculated and paid at 7% of the actual VAT paid
Education fee surcharges	Calculated and paid at 3% of the actual VAT paid
Local education fee surcharges	Calculated and paid at 3% of the actual VAT paid
Corporate income tax	Calculated and paid at 25% of the taxable income

Note IV: Key Annotations of Accounting Statements

Note: "End of Period" refers to "December 31, 2024"; "Beginning of Year" refers to "December 31, 2023"; "Current Period" refers to "January to May 2024"; "Previous Year" refers to the "Year 2023".

Annotation 1. Monetary funds

Item	Currency	Balance as at the End of Period		Balance as at the Beginning of Year	
		Amount in original currency	Amount equivalent in RMB	Amount in original currency	Amount equivalent in RMB
Cash	RMB		0.00	0.00	0.00
Bank Deposits	RMB	5,064,493.28	5,064,493.28	4,183,407.13	4,183,407.13
	Subtotal		5,064,493.28		4,183,407.13
Total			<u>5,064,493.28</u>		<u>4,183,407.13</u>

Annotation 2. Short-term investments



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Company	Balance as at the End of Period	Balance as at the Beginning of Year
	RMB	RMB
Haleon (China) Co., Ltd.	1,307,350,938.57	1,367,457,230.06

The Company's short-term investments consist of the principal of entrusted loans provided to affiliated parties through a cash pool facilitated by financial institutions, along with accrued interest receivable. The balance of accrued interest receivable is RMB 2,431,359.58 (Year 2023: RMB 2,469,026.82). For further details, please refer to Note V. 3. (1).

Annotation 3. Accounts receivable

Aging	Balance as at the End of Period			Balance as at the Beginning of Year		
	Amount	Percentage (%)	Provision for bad debts	Amount	Percentage (%)	Provision for bad debts
Within 1 year	190,714,673.29	100.00	0.00	158,106,891.77	100.00	0.00
Total	190,714,673.29	100.00	0.00	158,106,891.77	100.00	0.00

The aging is calculated from the date of recognition of accounts receivable.

Annotation 4. Other receivables

The aging analysis for other receivables is listed as follows:

Aging	Balance as at the End of Period			Balance as at the Beginning of Year		
	Amount	Percentage (%)	Provision for bad debts	Amount	Percentage (%)	Provision for bad debts
Within 1 year	138,276,995.04	99.53	0.00	135,898,763.29	99.16	0.00
Over 1 year	652,062.65	0.47	0.00	1,145,130.65	0.84	0.00
Total	138,929,057.69	100.00	0.00	137,043,893.94	100.00	0.00

The aging is calculated from the date of recognition of other receivables.

Annotation 5. Inventory

Item	Balance as at the End of Period	Balance as at the Beginning of Year
Materials in transit	187,451,993.51	480,444,623.27
Raw materials	31,589,265.98	31,698,467.92
Goods in progress	41,545,576.10	42,701,899.95
Finished products	356,814,426.80	408,246,014.09
Subtotal	617,401,262.39	963,091,005.23



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Less: Provision for depreciation of inventory	(26,049,486.02)	(21,184,452.06)
Total	591,351,776.37	941,906,553.17

Annotation 6. Fixed assets and accumulated depreciation

	Buildings and constructions	Machinery equipment	Office equipment	Total
I. Original value				
Balance as at the Beginning of Year	304,456,904.48	568,818,756.91	190,318,435.58	1,063,594,096.97
Purchase for Current Year		1,776,532.20	1,579,097.17	3,355,629.37
Transfer from Construction in Progress for Current Year	248,077.26	12,967,165.37	2,959,149.17	16,174,391.80
Decrease for Current Year		51,491,252.21	11,240,507.77	62,731,759.98
Balance as at the End of Period	304,704,981.74	532,071,202.27	183,616,174.15	1,020,392,358.16
II. Accumulated depreciation				
Balance as at the Beginning of Year	248,073,661.94	420,577,793.02	144,597,345.24	813,248,800.20
Amount of provision for Current Year	4,231,333.67	23,620,475.55	9,689,493.84	37,541,303.06
Decrease for Current Year	114,557.20	49,722,593.47	11,038,222.42	60,875,373.09
Balance as at the End of Period	252,190,438.41	394,475,675.10	143,248,616.66	789,914,730.17
III. Provision for impairment				
Balance as at the Beginning of Year	389,299.22	9,984,269.94	4,991,418.79	15,364,987.95
Provision for Current Year		2,355,540.19	1,462,569.48	3,818,109.67
Decrease for Current Year		3,289,166.60	741,102.61	4,030,269.21
Balance as at the End of Period	389,299.22	9,050,643.53	5,712,885.66	15,152,828.41
IV. Net amount				
Balance as at the Beginning of Year	55,993,943.32	138,256,693.95	40,729,671.55	234,980,308.82



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Balance as at the End of Period	52,125,244.11	128,544,883.64	34,654,671.83	215,324,799.58
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Annotation 7. Construction in progress

Cost

Balance as at the Beginning of Year	72,104,018.81
Increase for Current Year	71,106,529.57
Amount transferred to fixed assets for Current Year	(16,174,391.80)
Other decreases for Current Year	<u>(24,164,856.69)</u>
Balance as at the End of Period	102,871,299.89
Provision for impairment	
Balance as at the Beginning and the End of Year	<u>(10,330,481.96)</u>

Net amount

Balance as at the Beginning of Year	<u>61,773,536.85</u>
Balance as at the End of Period	<u>92,540,817.93</u>

Annotation 8. Intangible assets

	Software	Patent	Total
Cost			
Balance as at the Beginning of Year	25,278,525.79	16,132,075.13	41,410,600.92
Increase for Current Year	830,528.99		830,528.99
Balance as at the End of Period	26,109,054.78	16,132,075.13	42,241,129.91
Accumulated amortization			
Balance as at the Beginning of Year	(22,571,998.88)	(12,964,177.70)	(35,536,176.58)
Increase for Current Year	<u>(2,162,334.63)</u>	<u>(3,167,897.43)</u>	<u>(5,330,234.03)</u>
Balance as at the End of Period	<u>(24,734,333.51)</u>	<u>(16,132,075.13)</u>	<u>(40,866,410.61)</u>
Net amount			
Balance as at the Beginning of Year	2,706,526.91	3,167,897.43	5,874,424.34



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Balance as at the End of Period	1,374,721.27	0.00	1,374,719.30
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Annotation 9. Deferred-tax assets

Item	Deductible/(Taxable)	Temporary differences	Deferred income-tax assets/(liabilities)	
	Amount as at the End of Period	Amount as at the Beginning of Year	Amount as at the End of Period	Amount as at the Beginning of Year
Provision for depreciation of inventory	26,049,486.02	21,184,452.06	6,512,371.51	5,296,113.02
Fixed assets and construction in progress	25,483,310.37	25,695,469.91	6,370,827.59	6,423,867.48
Provision for impairment				
Accrued expenses	612,947,754.33	615,740,323.07	153,236,938.58	153,935,080.77
Differences between tax and account for amortization of intangible assets	(2,557,964.84)	(2,966,392.90)	(639,491.21)	(741,598.23)
Differences between tax and account for depreciation of fixed assets	(39,681,576.93)	(41,346,722.76)	(9,920,394.23)	(10,336,680.69)
Welfare payable	37,999,015.71	50,005,274.00	9,499,753.93	12,501,318.50
Total	660,240,024.66	668,312,403.38	165,060,006.17	167,078,100.85

Annotation 10. Welfare payable

	Balance as at the End of Period	Balance as at the Beginning of Year
	RMB	RMB
Bonus and welfare funds for employees	16,446,029.22	16,326,029.22
Other welfare payable for employees	21,672,986.49	33,679,244.78
Total	38,119,015.71	50,005,274.00

The bonus and welfare funds are changed as follows:

	RMB
Balance as at the Beginning of Year	16,326,029.22
Provision for Current Year	120,000.00
Balance as at the End of Year	16,446,029.22



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Annotation 11. Taxes payable

Item	Balance as at the End of Period	Balance as at the Beginning of Year
Income tax payable	57,107,898.41	135,034,694.34
VAT payable	1,469,783.82	
Others	8,903,272.51	2,396,534.80
Total	67,480,954.74	137,431,229.14

Annotation 12. Paid-in capital

The Company's registered capital is USD 29,940,045.00, and has been paid as of December 31, 2024. The capital contributions from investors, as stipulated in the Company's articles of association, are as follows:

Shareholder	Amount as at the End of Period		Amount equivalent in RMB (Yuan)
	USD	Contribution Ratio %	
Halon UK Services Limited (Note 1)	16,467,025.00	55.00	95,541,602.97
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (Note 2)	3,592,805.00	12.00	20,845,440.65
Haleon (China) Co., Ltd.	9,880,215.00	33.00	57,324,961.78
Total	29,940,045.00	100.00	173,712,005.40

Shareholder	Amount as at the Beginning of Period		Amount equivalent in RMB (Yuan)
	USD	Contribution Ratio %	
Halon UK Services Limited (Note 1)	16,467,025.00	55.00	95,541,602.97
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (Note 2)	7,485,010.00	25.00	43,428,001.35
Tianjin Pharmaceutical Holdings Co., Ltd.	5,988,010.00	20.00	34,742,401.08
Total	29,940,045.00	100.00	173,712,005.40

The capital contributions above have been verified by Chinese certified public accountants with an issued capital verification report.

Note 1: Haleon UK Services Limited, which was formerly known as GlaxoSmithKline Consumer Healthcare (Overseas) Limited, renamed on November 18, 2022.

Note 2: Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited, which was formerly known as Tianjin Zhongxin Pharmaceutical Group Co., Ltd., renamed on May 18, 2022.

Annotation 13. Capital reserves

	Amount as at the End of Period and the Beginning of Year
	RMB
Other capital reserves	5,000,000.00

Annotation 14. Surplus reserves



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	Reserve funds	Enterprise development funds	Total
	RMB	RMB	RMB
Amount as at the Beginning of Year and the End of Period	103,382,515.09	103,382,515.08	206,765,030.17

Annotation 15. Profit distribution

	Balance as at the End of Period	Balance as at the Beginning of Year
	RMB	RMB
Undistributed profit as at the Beginning of Year	981,655,588.06	706,940,755.03
Plus: Profit for Current Year	710,959,502.18	981,655,588.06
Less: Employee welfare & bonus fund	(120,000.00)	(120,000.00)
Distributable profit	1,692,495,090.24	1,688,476,343.09
Less: Profit distributed to investors	(1,006,231,175.86)	(706,820,755.03)
Including: Dividends for Chinese shareholders	(630,877,043.49)	(318,069,339.76)
Dividends for foreign shareholders	(375,354,132.37)	(388,751,415.27)
Undistributed profit as at the End of Period	686,263,914.38	981,655,588.06

Note 1: According to the *Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures* and the Company's articles of association, the Company's annual net profit, after covering previous years' loss, shall first be allocated to the reserve funds, bonus and welfare funds for employees, and enterprise development funds before distribution to investors. The allocation ratios for the reserve funds, bonus and welfare funds for employees, and enterprise development funds are determined by the Company's board of directors.

Note 2: In accordance with the resolution of the Company's Board of Directors in September 2024, it was approved to allocate RMB 120,000.00 to the employee incentive and welfare fund and to distribute profits of RMB 1,006,231,175.86 to investors (2023: RMB 706,820,755.03). The profit above was distributed to shareholders based on their shareholding ratios.

Annotation 16. Income from primary business

	Amount for Current Period	Amount for Previous Period
	RMB	RMB
Income from sales of products	3,558,857,353.78	3,581,879,341.01



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Annotation 17. Cost of primary business

	Amount for Current Period	Amount for Previous Period
	RMB	RMB
Cost of sales of products	1,767,286,478.88	1,583,219,074.22

Annotation 18. Taxes and surcharges on main business

	Amount for Current Period	Amount for Previous Period
	RMB	RMB
Urban construction tax and education fee surcharges	32,181,533.13	28,256,068.33
Property tax	3,161,210.53	3,112,154.09
Others	2,484,513.34	2,293,735.71
Total	37,827,257.00	33,661,958.13

Annotation 19. Net financial income

	Amount for Current Period	Amount for Previous Period
	RMB	RMB
Interest income	21,654,119.46	21,771,960.76
Net gain/loss on exchange	(234,169.52)	35,014.29
Cash discounts		-
Bank service charges	(519,389.23)	(492,124.99)
Total	20,900,560.71	21,314,850.06

Annotation 20. Non-operating expenses

	Amount for Current Period	Amount for Previous Period
	RMB	RMB
Provision for impairment of fixed assets	3,646,052.93	692,600.21
Loss on asset retirement by scrapping		2,830,897.28
Others	819,672.18	281,874.17
Total	4,465,725.11	3,805,371.66

Annotation 21. Income tax expenses

Income tax reported in the Income Statement includes:

Item	Amount for Current Period	Amount for Previous Period
Corporate income tax for Current Year	237,293,929.09	362,562,047.45
Deferred tax	2,018,094.68	(34,385,064.87)



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Tax difference from previous years	(13,329.47)	25,049.80
Total	239,298,694.30	328,202,032.38

Annotation 22. Notes to the Cash Flow Statement

Supplementary data	Amount for Current Period	Amount for Previous Period
Net profit adjusted to cash flows from operating activities:		
Net Profit	710,959,502.18	981,655,588.06
Plus: Accrued provision for impairment of assets	3,818,109.67	692,600.21
Accrued/(Reversed) Provision for depreciation of inventory	4,865,033.96	18,800,029.14
Depreciation of fixed assets	37,541,303.06	34,939,319.75
Amortization of intangible assets	5,330,234.03	5,267,839.46
Increase/(Decrease) in accrued expenses	20,826,315.66	302,123,782.29
Loss on asset retirement by scrapping	0.00	2,830,897.28
Net financial income	(21,620,083.21)	(21,739,417.62)
(Increase)/Decrease in deferred-tax assets	2,018,094.68	(34,385,064.87)
Increase in inventory	(350,554,776.80)	(276,586,576.57)
Decrease in operating receivables	(19,044,431.01)	4,263,949.70
Increase in operating payables	171,826,739.74	131,712,789.44
Net cash flows from operating activities	565,966,041.96	1,149,575,736.27

Net increase in cash and cash equivalents:

Balance of Cash and Cash Equivalents as at the End of the Period	4,982,712.83	4,172,192.41
Less: Beginning balance of cash and cash equivalents	(4,172,192.41)	(10,760,178.07)
Net increase/(decrease) in cash and cash equivalents	810,520.42	(6,587,985.66)

Note V: Interpretation on Related-party Relationships and Transactions

1. Related-parties with control relationships:

Company Name	Registered address	Primary business	Relationship with the Company	Economic nature or type
Halon UK Services Limited (Note)	United Kingdom	Investment and related services	Parent company	Non-listed company

On July 17, 2022, the ultimate controlling entity of the Company changed from GlaxoSmithKline PLC to Haleon PLC. Note: Halon UK Services Limited was formerly known as GlaxoSmithKline Consumer Healthcare (Overseas) Limited. There has been no change in the registered capital of related parties with control relationships.

	Amount as at the End of Period and the Beginning of Year		
	USD	Contribution Ratio %	Amount equivalent in RMB (Yuan)
Halon UK Services Limited (Note 1)	16,467,025.00	55.00	95,541,602.97



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Shareholdings or interests of related parties with control relationships

	Amount as at the Beginning of Year		Increase for Current Year		Decrease for Current Year		Amount as at the End of Period	
	Amount	%	Amount	%	Amount	%	Amount	%
Haleon UK Services Limited	751,922,943.00	55	391,027,726.20	55	(375,354,132.37)	55	767,596,536.83	55

2. Name of related parties without control relationships

Entity	Related-party Relationships
Haleon (China) Co., Ltd. (formerly known as GlaxoSmithKline Consumer Healthcare (China) Limited)	Subsidiary with the same parent company
Haleon (Suzhou) Pharmaceutical Co., Ltd. (formerly known as Wyeth Pharmaceuticals Co., Ltd.)	Subsidiary with the same parent company
Guangdong Treerly Health Co. Ltd.	Subsidiary with the same parent company
Haleon UK Trading Services Ltd.	Subsidiary with the same parent company
GlaxoSmithKline Trading Services Ltd.(½)	Subsidiary with the same parent company
GlaxoSmithKline Consumer Healthcare (Hong Kong) Limited	Subsidiary with the same parent company

3. The amounts of transactions conducted with related parties and related party balances by the Company during the current fiscal year are as follows

(1) Significant transactions between the Company and related parties are listed as below:

Details of goods purchased by the Company from related parties are as follows:

Entity	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Haleon UK Trading Services Ltd.	882,130,000.73	1,098,465,511.69
Haleon (China) Co., Ltd.	69,531,110.59	
Total	951,661,111.32	1,098,465,511.69

Purchases are conducted at contract prices as agreed upon by both parties.

Details of services provided by the Company to related parties and received therefrom are as follows:

Services provided	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Haleon UK Trading Services Ltd.	320,305,152.37	363,570,611.15

Services provided	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Haleon (China) Co., Ltd.	777,119.18	217,617.34
GlaxoSmithKline Consumer Healthcare (Hong Kong) Limited	705,130.40	699,433.39
Haleon (Suzhou) Pharmaceutical Co., Ltd.	14,886,447.92	4,894,616.28



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Total	336,673,849.87	369,382,278.16
Services received	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Haleon (China) Co., Ltd.	81,937,505.61	56,283,233.68
Haleon (Suzhou) Pharmaceutical Co., Ltd.	51,725,656.92	1,303,266.61
GlaxoSmithKline Consumer Healthcare (Hong Kong) Limited		659,224.82
Guangdong Treerly Health Co. Ltd.	370,123.11	
Total	134,033,285.64	58,245,725.11

Details of interest income received by the Company from related parties are as follows:

Entity	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Haleon (China) Co., Ltd.	21,620,083.21	21,739,417.62

Details of loan transactions between the Company and related parties are as follows:

	Net amount for Current Period	Balance as at the End of Current Period	Net amount for Previous Year	Balance as at the End of Previous Year	Annual interest rate
Haleon (China) Co., Ltd.	(60,106,291.49)	1,307,350,938.57	411,703,299.42	1,367,457,230.06	2.25%

Note: The Company has entered into an entrusted loan agreement for centralized fund management applicable to multinational enterprises, spearheaded by Haleon (China) Co., Ltd. and Citibank (the "Trustee"). Under this agreement, funds are managed in a centralized manner ("Cash Pool"), enabling Haleon (China) Co., Ltd. to extend loans to its designated affiliated companies via the trustee bank. Other participants are also permitted to lend to Haleon (China) Limited. The companies settle loan interest on a monthly basis at a fixed annual interest rate of 2.25%.

(2) The balances of receivables and payables with related parties for the Company are as follows:

Account	Related party	Amount as at the End of Period	Amount as at the Beginning of Year
Short-term investments	Haleon (China) Co., Ltd.	1,307,350,938.57	1,367,457,230.06
	Total	1,307,350,938.57	1,367,457,230.06
	GlaxoSmithKline Consumer Healthcare (Hong Kong) Limited	799,758.90	6,492,341.46
Other receivables	Haleon (Suzhou) Pharmaceutical Co., Ltd.	16,711,560.07	5,188,293.27
	Haleon UK Trading Services Ltd.	119,861,436.56	122,334,942.66
	Haleon (China) Co., Ltd.	881,408.57	



APPENDIX A – AUDITORS' REPORT

Account	Related party	Amount as at the End of Period	Amount as at the Beginning of Year
	Total	138,254,164.10	134,015,577.39
Accounts payable	Haleon UK Trading Services Ltd.	286,454,904.00	530,992,074.41
	Haleon (China) Co., Ltd.		3,787,258.46
	Total	286,454,904.00	534,779,332.87
Other payables	Haleon (Suzhou) Pharmaceutical Co., Ltd.	54,812,160.96	1,417,420.92
	Guangdong Treerly Health Co. Ltd.	401,589.59	715,852.07
	Haleon (China) Co., Ltd.	91,321,163.27	19,740,356.70
	Haleon UK Trading Services Ltd.		110,935.65
	Total	146,534,913.82	21,984,565.34

(3) Operating lease obligations

According to irrevocable operating lease agreements, the minimum lease payments payable by the Company after the balance sheet date are as follows:

	Accumulated amount incurred in Current Period	Accumulated amount incurred in Previous Year
Year 1 after balance sheet date	1,630,205.64	8,811,451.76
Year 2 after balance sheet date	1,588,935.24	5,332,583.88
Year 3 after balance sheet date and beyond	1,459,565.64	3,873,888.00
Total	4,678,706.52	18,017,923.64

Tianjin TSKF Pharmaceutical Co., Ltd.

Amount as at March 18, 2025



APPENDIX B – SUMMARY OF ASSET APPRAISAL REPORT

The Asset Valuation Report on the Project of the Total Shareholders' Equity Value of Tianjin TSKF Pharmaceutical Co., Ltd. Involved in the Proposed Equity Transfer by Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited of Its Stake in Tianjin TSKF Pharmaceutical Co., Ltd.

Asset Valuation Report Summary

Important Notice

This summary is extracted from the main body of the asset valuation report. To understand the details of the appraisal project and reasonably interpret and apply the valuation conclusions, the full asset appraisal report should be read carefully.

Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited:

China Enterprise Appraisals Co., Ltd. has been entrusted by your esteemed company to conduct an asset valuation of the entire equity of Tianjin TSKF Pharmaceutical Co., Ltd. as of the appraisal reference date. In compliance with applicable laws, administrative regulations, and asset appraisal standards, the appraisal has been carried out in an independent, objective, and impartial manner, adhering to the necessary evaluation procedures. The summary of the asset valuation report is as follows:

Valuation Purpose: Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited intends to transfer its equity interests in Tianjin TSKF Pharmaceutical Co., Ltd. Accordingly, an appraisal of the value of the entire shareholders' equity as of the valuation date is required to serve as a reference for the transaction.

Valuation Subject: The total equity value of Tianjin TSKF Pharmaceutical Co., Ltd. shareholders.

Valuation Scope: The full assets and liabilities of Tianjin TSKF Pharmaceutical Co., Ltd. (including off-balance sheet assets).

As of the valuation date, the scope of the appraisal included current assets and non-current assets (fixed assets, construction in progress, intangible assets, and deferred tax assets). The book value of total assets was RMB 2,752.6807 million; total liabilities, all of which were current liabilities, had a book value of RMB 1,680.9397 million; and the book value of net assets was RMB 1,071.7409 million.

Valuation Reference Date: December 31, 2024

Valuation Type: Market Value

Valuation Methods: Income Approach and Market Approach

Valuation Conclusion: The asset appraisal report adopts the income approach as the primary valuation method. The specific valuation conclusion is as follows:

APPENDIX B – SUMMARY OF ASSET APPRAISAL REPORT

The Asset Valuation Report on the Project of the Total Shareholders' Equity Value of Tianjin TSKF Pharmaceutical Co., Ltd. Involved in the Proposed Equity Transfer by Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited of Its Stake in Tianjin TSKF Pharmaceutical Co., Ltd.

As of the valuation date, Tianjin TSKF Pharmaceutical Co., Ltd. had a book value of total assets of RMB 2,752.6807 million, total liabilities of RMB 1,680.9397 million, and net assets of RMB 1,071.7409 million. The appraised value of the entire shareholders' equity was RMB 9,987.0644 million, representing an appreciation of RMB 8,915.3234 million and an appreciation rate of 831.85%.

This asset valuation report is intended solely to provide a value reference for the economic activity described herein. The conclusion of the appraisal shall only be used for this purpose.

Users of the asset valuation report should fully consider the assumptions, limitations, special notes, and their impact on the valuation conclusion as outlined in the report.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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 “**Company**”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTE FOR SHAREHOLDERS:

The Company had previously issued a notice of the Extraordinary General Meeting on 24 April 2025 in compliance with Article 69 of its Articles of Association and the listing rules of the Shanghai Stock Exchange, which require a written notice to be given at least 45 days in advance of a shareholders' meeting.

This updated notice of Extraordinary General Meeting, issued in compliance with the listing rules of the Singapore Exchange Securities Trading Limited, supersedes the version announced by the Company on 24 April 2025.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**” or “**Extraordinary General Meeting**”) of the Company will be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China (the “**PRC**”) 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for holders of the S-Shares (“**S-Share Shareholders**”) in Singapore) on Monday, 9 June 2025 at 2:00 p.m..

*Unless otherwise defined, all capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular issued by the Company to its Shareholders dated 23 May 2025 (the “**Circular**”).*

To consider and, if thought fit, approve the resolution, with or without modifications:

To consider and approve the 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 Haeon China Co., Ltd. and Haeon CH SARL.

By Order of the Board

Jiao Yan

Secretary to the Board of Directors

23 May 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m..
2. EGM documents. Printed copies of this updated notice of EGM (the “**Notice of EGM**”), the accompanying Proxy Form and the circular dated 23 May 2025 issued by the Company (the “**Circular**”) will be sent to S-Share Shareholders. This Notice of EGM, the Proxy Form and the Circular have also been, or will also be, made available via SGXNET and on the Company’s website at www.jydr.com.cn. S-Share Shareholders and investors are advised to check SGXNET and/or the Company’s website at www.jydr.com.cn regularly for the latest updates.
3. Shareholders’ questions and answers. S-Share Shareholders and duly appointed proxy or proxies will be able to attend the EGM in person and ask questions relating to the resolutions to be tabled for approval at the EGM.

However, S-Share Shareholders are encouraged to raise their questions (if any) as early as possible in advance of the EGM by **2:00 p.m. on Saturday, 7 June 2025** and can submit substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, in advance of the EGM, in the following manner:

- (a) by email to drt600329@163.com; or
- (b) by post to the Company’s S-Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632.

S-Share Shareholders who submit questions in advance of the EGM should provide their full name, address, contact number, email address and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with The Central Depository (Pte) Limited. Otherwise, please state if you hold your Shares through the Central Provident Fund Investment Scheme (“**CPF**”) or the Supplementary Retirement Scheme (“**SRS**”) or other Relevant Intermediary), for our verification purposes. “**Relevant Intermediary**” means (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity, (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity, or (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

The Company will endeavour to answer all substantial and relevant questions in relation to the resolutions to be tabled for approval at the EGM prior to, or at the EGM. **Where substantially similar questions are received, the Company may consolidate such questions and consequently not all questions may be individually addressed.**

The Company will also publish the minutes of the EGM which will include substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM and the responses from the Board and/or management of the Company to such questions via SGXNET and on the Company’s website at www.jydr.com.cn within one (1) month after the date of the EGM.

4. Voting. A Shareholder (whether individual or corporate, including Relevant Intermediaries) entitled to attend and vote at the EGM is entitled to appoint one (1) or more persons (who need not also be Shareholder(s)) to act as his/her/its proxy(ies) to attend and vote on his/her/its behalf at the EGM. Where a Shareholder appoints more than one (1) proxy, the appointment shall be deemed to be alternative unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

If the appointor is a corporation, the instrument of proxy must be executed under seal or the hand of its duly authorised officer of attorney.

A S-Share Shareholder (whether individual or corporate) can also choose to appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. The Chairman of the EGM, as proxy, need not be a Shareholder of the Company. Where a S-Share Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the Proxy Form. **In the absence of specific instructions, the appointment of the Chairman of the EGM as his/her/its proxy for that resolution will be treated as invalid.**

Where a S-Share Shareholder (whether individual or corporate) appoints one (1) or more persons (other than the Chairman of the EGM) as his/her/its proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in the instrument appointing a proxy(ies). **In the absence of specific instructions, the proxy(ies) may vote or abstain from voting on those resolutions at his/her discretion.**

The Proxy Form has been, or will be, made available via SGXNET and may also be accessed at the Company’s website at www.jydr.com.cn.

NOTICE OF EXTRAORDINARY GENERAL MEETING

An investor who holds Shares under the CPF (“**CPF Investor**”) and/or the SRS (“**SRS Investor**”) (as may be applicable) and wishes to vote should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least **seven (7)** working days before the date of the EGM (i.e. by **5:00 p.m.** on **Wednesday, 28 May 2025**). **The Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**

The duly completed Proxy Form must be submitted by S-Share Shareholders to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company’s S-Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (b) if submitted electronically, via email to the Company’s S-Shares Registrar at srs.proxy@boardroomlimited.com,

in either case, by no later than **2:00 p.m.** on **Saturday, 7 June 2025**.

S-Share Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

A S-Share Shareholder who wishes to submit an instrument of proxy must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. If the S-Share Shareholder is a corporation, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

The completion and return of the instrument appointing a proxy(ies) by a Shareholder does not preclude such Shareholder from attending, speaking and voting in person at EGM if such Shareholder subsequently decides to do so. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the Shareholder attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

- 5. Pursuant to the Articles of Association of the Company, a holder of tradable domestic A-Shares with limiting conditions for sale shall notify the Company in writing not less than twenty (20) days prior to the EGM of his or her intention to attend the EGM. Accordingly, a holder of tradable domestic A-Shares with limiting conditions for sale who is planning to attend the EGM must give a written notice to the Company no later than 14 May 2025.
- 6. The EGM in Tianjin, PRC is expected to last for half a day and all accommodation and other expenses incurred by a Shareholder or his/her/its proxy(ies) in connection with his/her/its attendance at the EGM shall be borne by that Shareholder.
- 7. **Personal data privacy:** By (1) submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, (2) submitting any question prior to the EGM, a Shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents or service providers) for the purposes of (i) the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), (ii) the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), (iii) the addressing of substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM from Shareholders received prior to and/or at the EGM and if necessary, the following up with Shareholders in relation to such questions, and (iv) in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (b) warrants that where a Shareholder discloses the personal data of such Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), such Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder’s breach of warranty.

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PROXY FORM

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 "Company")

EXTRAORDINARY GENERAL MEETING

PROXY FORM

(You are advised to read the notes below before completing this form)

IMPORTANT
1. The EGM will be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m..
2. A S-Share Shareholder (whether individual or corporate) can also choose to appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. The Chairman of the EGM, as proxy, need not be a Shareholder of the Company. Where a S-Share Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the Proxy Form. In the absence of specific instructions, the appointment of the Chairman of the EGM as his/her/its proxy for that resolution will be treated as invalid.
3. Where a S-Share Shareholder (whether individual or corporate) appoints one (1) or more persons (other than the Chairman of the EGM) as his/her/its proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in the instrument appointing a proxy(ies). In the absence of specific instructions, the proxy(ies) may vote or abstain from voting on those resolutions at his/her discretion.
4. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to vote should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the date of the EGM (i.e. by 5:00 p.m. on Wednesday, 28 May 2025). The Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Personal Data Privacy: By submitting this Proxy Form, the S-Share Shareholders accepts and agrees to the personal data privacy terms set out in the Company's Notice of EGM dated 23 May 2025.
6. Please read the notes overleaf which contain instructions on, <i>inter alia</i> , the appointment of a proxy(ies) by a S-Share Shareholder to attend, speak and vote on his/her/its behalf at the EGM.

I/We, _____ (Name)

with NRIC/Passport/Company Registration Number _____

of _____ (Address)

being a member/members of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing whom, or if no persons are named above, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Extraordinary General Meeting of the Company ("EGM") to be held at the meeting room of Da Ren Tang Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China (the "PRC") 300193 (concurrently, via video conferencing at RNN Conference Centre, GB Building, 143 Cecil Street, Level 11, #11-03, Singapore 069542 for S-Share Shareholders in Singapore) on Monday, 9 June 2025 at 2:00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote on the Resolution(s) to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the EGM is appointed as proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the meeting and at any adjournment thereof. **Where the Chairman of the EGM is appointed as proxy, and in the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.**

(Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) or a cross (X) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy/proxies not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

Resolution(s) relating to:	For	Against	Abstain
To consider and approve the 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 Haeon China Co., Ltd. and Haeon CH SARL			

Dated this _____ day of _____ 2025

Total number of Shares in:	No. of Shares ^{Note 1}
(a) Depository Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. **If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.**

2. A Shareholder (whether individual or corporate, including Relevant Intermediaries) entitled to attend and vote at the EGM is entitled to appoint one (1) or more persons (who need not also be Shareholder(s)) to act as his/her/its proxy(ies) to attend and vote on his/her/its behalf at the EGM. Where a Shareholder appoints more than one (1) proxy, the appointment shall be deemed to be alternative unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

If the appointor is a corporation, the instrument of proxy must be executed under seal or the hand of its duly authorised officer or attorney.

A S-Share Shareholder (whether individual or corporate) can also choose to appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. The Chairman of the EGM, as proxy, need not be a Shareholder of the Company. Where a S-Share Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in the Proxy Form. **In the absence of specific instructions, the appointment of the Chairman of the EGM as his/her/its proxy for that resolution will be treated as invalid.**

Where a S-Share Shareholder (whether individual or corporate) appoints one (1) or more persons (other than the Chairman of the EGM) as his/her/its proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in the instrument appointing a proxy(ies). **In the absence of specific instructions, the proxy(ies) may vote or abstain from voting on those resolutions at his/her discretion.**

3. An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investor”) (as may be applicable) and wishes to vote should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least **seven (7)** working days before the date of the EGM (i.e. by **5:00 p.m. on Wednesday, 28 May 2025**). **This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**
4. The duly completed Proxy Form must be submitted by S-Share Shareholders to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company’s S-Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted electronically, via email to the Company’s S-Shares Registrar at srs.proxy@boardroomlimited.com,in either case, by no later than **2:00 p.m. on Saturday, 7 June 2025**.

S-Share Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

A S-Share Shareholder who wishes to submit an instrument of proxy must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. If the S-Share Shareholder is a corporation, the instrument of proxy must be executed under seal or the hand of its duly authorised officer or attorney. Where an instrument appointing a proxy(ies) and/or representative(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. The completion and return of the instrument appointing a proxy(ies) by a Shareholder do not preclude such Shareholder from attending, speaking and voting in person at the EGM if such Shareholder subsequently decides to do so. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the Shareholder attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible, or where the true intentions of the appointor are not ascertainable from the instructions specified in the instrument. In addition, in the case of S-Share Shareholders whose Shares are deposited with The Central Depository (Pte) Limited (“CDP”), the Company shall be entitled to reject any such instrument lodged if such S-Share Shareholder, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by the CDP to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the S-Share Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 23 May 2025.

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