

ANNEXURE DATED 30 APRIL 2026

THIS ANNEXURE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Annexure 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 Annexure, the Notice of Annual 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 Annexure.



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

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

**ANNEXURE TO
THE NOTICE OF ANNUAL GENERAL MEETING**

in relation to

- (1) **THE PROPOSED ENTRY INTO THE FINANCIAL SERVICES AGREEMENT BETWEEN THE COMPANY AND TIANJIN PHARMACEUTICAL GROUP FINANCE CO., LTD. (天津医药集团财务有限公司) AS AN INTERESTED PERSON TRANSACTION AND ALL TRANSACTIONS ARISING THEREFROM;**
- (2) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB1,408,875,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN PHARMACEUTICAL GROUP TAIPING MEDICINE CO., LTD. (津药太平医药有限公司) FROM THIRD-PARTY FINANCIAL INSTITUTIONS AS AN INTERESTED PERSON TRANSACTION;**
- (3) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB1,257,150,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司) FROM THIRD-PARTY FINANCIAL INSTITUTIONS AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB433,500,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司) FROM TIANJIN PHARMACEUTICAL GROUP FINANCE CO., LTD. (天津医药集团财务有限公司) AS AN INTERESTED PERSON TRANSACTION**

Independent Financial Adviser
in respect of the Proposed IPTs (as defined herein)



RHB Bank Berhad

(UEN S99FC5710J)

(Incorporated in Malaysia 196501000373 (6171-M))

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DEFINITIONS

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

- “14 October 2024 Circular”* : The Company’s circular dated 14 October 2024 in relation to (i) the Capital Injection, (ii) the resultant joint venture in Taiping Medicine, and (iii) the Company’s Proportionate Guarantee
- “2023 AGM”* : The AGM of the Company held on 15 May 2023
- “2024 1st EGM”* : The 1st EGM of the Company in 2024 held on 29 October 2024
- “2024 AGM”* : The AGM of the Company held on 15 May 2024
- “2025 AGM”* : The AGM of the Company held on 15 May 2025
- “2026 AGM”* : The AGM of the Company to be held at the meeting room of the Company’s Modern Traditional Chinese Medicine Industrial Park located at No. 21 Tenth Avenue, Binhai New Area, Tianjin, the PRC (中国天津市滨海新区第十大街21号津药达仁堂集团现代中药产业园会议室) (concurrently, via video conferencing at Meeting Room 2&3, 126 Beach Road, Guoco Midtown Network Hub Level 2, Singapore 189772 for S-Share Shareholders in Singapore) on Friday, 15 May 2026 at 1:30 p.m.
- “A-Shares”* : 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
- “A-Share Shareholders”* : Holders of A-Shares
- “AGM” or “Annual General Meeting”* : An annual general meeting of the Company
- “Agreement 2023”* : The most recent financial services agreement dated 1 July 2023 entered into between the Company and TPGF, pursuant to which TPGF shall provide certain financial services to the Company until 30 June 2026
- “Agreement 2026”* : A financial services agreement proposed to be entered into between the Company and TPGF, pursuant to which TPGF shall provide the Financial Services to the Company for the Term on substantially the same terms as those set out in the Agreement 2023, save for the revisions to the pricing policies and the basis thereof, as further elaborated in Section 2.5.7 of this Annexure

DEFINITIONS

- “Annexure”* : This annexure dated 30 April 2026 to the Notice of AGM
- “Articles”* or *“Articles of Association”* : The articles of association of the Company, as amended, modified and/or supplemented from time to time
- “associate”* : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (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
- “Audit Committee”* : The audit committee of the Company from time to time, which, as at the Latest Practicable Date, comprises Mr. Liew Yoke Pheng Joseph, Mr. Yeo Guat Kwang, and Mr. Zhong Ming

DEFINITIONS

- “Board” or “Board of Directors”* : The board of Directors of the Company from time to time, which, as at the Latest Practicable Date, comprises Ms. Wang Lei, Mr. Guo Min, Mr. Zhou Hong, Mr. Shang Mingjie, Ms. Mao Weiwen, Mr. Xing Jianhua, Mr. Yeo Guat Kwang, Mr. Liew Yoke Pheng Joseph, and Mr. Zhong Ming
- “Business Scope”* : The business activities of TPGF as at the Latest Practicable Date as approved by the NFRA, which include:
- (a) absorbing deposits from the member entities of TPH group (吸收成员单位存款);¹
 - (b) providing loans to the member entities of the TPH group (办理成员单位贷款);
 - (c) conducting discounting of negotiable instruments for the member entities of the TPH group (办理成员单位票据贴现);²
 - (d) providing fund settlement, receipt and payment services for the member entities of the TPH group (办理成员单位资金结算与收付);
 - (e) providing entrusted loans, bond underwriting, non-financing guarantees, financial advisory services, credit attestation services, and consultancy and agency services to member entities of the TPH group (提供成员单位委托贷款、债券承销、非融资性保函、财务顾问、信用鉴证及谘询代理业务);
 - (f) engaging in inter-bank borrowings (从事同业拆借);
 - (g) handling acceptance of negotiable instruments for the member entities of the TPH group (办理成员单位票据承兑); and
 - (h) engaging in fixed income securities investment (从事固定收益类有价证券投资)

¹ **“absorbing deposits from the member entities of the TPH group (吸收成员单位存款)”** means that, pursuant to the deposit services (including, but not limited to, current deposits, time deposits, negotiated deposits and call deposits) provided by TPGF to the member entities of the TPH group, each such member entity has opened or will open a deposit account with TPGF and place funds into such account.

² **“discounting of negotiable instruments (票据贴现)”** is a standard credit product that can be provided by financial institutions in the PRC, through which an enterprise (as the holder) may present the negotiable instruments received by it to a bank/non-bank financial institution for discounting, and the financial institution will pay the balance to the enterprise (as the holder) after deducting the interests from the face value of such negotiable instruments on a one-off basis. In general, for the discounting of negotiable instruments, the interest rate is significantly lower than that of ordinary working capital loans. TPGF handles the discounting of negotiable instruments business in accordance with the common practice in the banking industry in the PRC.

DEFINITIONS

“Capital Injection”	:	The Company’s capital injection of RMB493,617,700 into Taiping Medicine through the transfer of the 100% equity interest in TJZX Medicine to Taiping Medicine, which was completed on or around 25 December 2024 ³
“Centre”	:	National Inter-bank Funding Centre (全国银行间同业拆借中心)
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited
“Company’s Proportionate Guarantee”	:	The provision of a proportionate liability equal to 43.35% of the Subsisting Guarantee by the Company for TJZX Medicine (i.e. up to RMB823,650,000) in proportion to the Company’s equity interest in Taiping Medicine upon completion of the Capital Injection pursuant to the capital injection agreement in relation thereto, which was approved by the Independent Shareholders at the 2024 1 st EGM ⁴
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
“CSRC”	:	China Securities Regulatory Commission (中国证券监督管理委员会)
“Directors”	:	The directors of the Company as at the Latest Practicable Date, and “Director” shall be construed accordingly

³ For further details of the Capital Injection, please refer to the 14 October 2024 Circular, as well as the Company’s announcement dated 29 October 2024 in relation to the poll results of the 2024 1st EGM and its announcement dated 26 December 2024 in relation to completion of the Capital Injection.

⁴ For further details of the Capital Injection and the Company’s Proportionate Guarantee, please refer to the 14 October 2024 Circular and the Company’s announcement dated 29 October 2024 in relation to the poll results of the 2024 1st EGM.

DEFINITIONS

<i>“EAR Group”</i>	:	The Company, its subsidiaries (excluding subsidiaries listed on the SGX-ST or an approved exchange), and the associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and interested person(s) of the Company, has or have control, and which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Listing Manual
<i>“EGM” or “Extraordinary General Meeting”</i>	:	An extraordinary general meeting of the Company
<i>“entity at risk”</i>	:	As defined in the Listing Manual, means: <ul style="list-style-type: none">(a) the Company;(b) a subsidiary of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and(c) an associated company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control
<i>“Financial Services”</i>	:	The financial services including settlement and intermediary services, deposit services and credit business services (such as providing loans to the Company) to be provided by TPGF under the Agreement 2026, as further elaborated in Section 2.5.3 of this Annexure
<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 ended 31 December 2025
<i>“FY2026”</i>	:	Financial year ending 31 December 2026
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“IFA” or “Independent Financial Adviser”</i>	:	RHB Bank Berhad, the independent financial adviser appointed by the Company to opine on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders

DEFINITIONS

<i>“IFA Letter”</i>	:	The letter dated 30 April 2026 from the IFA in relation to the Proposed IPTs, as set out in Schedule 1 of this Annexure
<i>“Independent Shareholders”</i>	:	Shareholders who are not TPH and its associates
<i>“Interested Directors”</i>	:	Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen, collectively
<i>“interested person”</i>	:	As defined in the Listing Manual, means: (a) a Director, chief executive officer, or Controlling Shareholder of the Company; or (b) an associate of any such Director, chief executive officer, or Controlling Shareholder
<i>“IPT” or “interested person transaction”</i>	:	A transaction between an entity at risk and an interested person
<i>“IPT Mandate”</i>	:	The general mandate from Shareholders pursuant to Rule 920 of the Listing Manual to enable the EAR Group, or any of them, to enter into certain categories of recurrent transactions of a revenue and trading nature or those necessary for day-to-day operations with specified classes of the Company’s interested persons, which was last renewed at the 2025 AGM and subsequently amended at the 2 nd EGM of the Company in 2025 held on 15 December 2025
<i>“Latest Practicable Date”</i>	:	17 April 2026, being the latest practicable date prior to the despatch of this Annexure
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
<i>“LPR”</i>	:	Loan prime rate
<i>“NFRA”</i>	:	National Financial Regulatory Administration (国家金融监督管理总局) ⁵
<i>“Non-Interested Directors”</i>	:	The Directors who are deemed to be independent for the purposes of making a recommendation on each of the Proposed IPTs, being all the Directors other than the Interested Directors
<i>“Notice of AGM”</i>	:	The notice of the 2026 AGM dated 30 April 2026

⁵ Formerly known as the China Banking and Insurance Regulatory Commission (中国银行保险监督管理委员会).

DEFINITIONS

“NTA”	:	Net tangible assets
“PBOC”	:	People’s Bank of China
“PRC”	:	People’s Republic of China
“PRC Company Law”	:	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
“PRC Laws”	:	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, modifications or substitution thereof
“Proposed Guarantees”	:	The Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party), and the Proposed TJZX Medicine Guarantee (TPGF), collectively
“Proposed IPTs”	:	The Proposed TPGF IPT and the Proposed Guarantees, collectively
“Proposed Taiping Medicine Guarantee”	:	The proposed provision by the Company, in proportion to its equity interest in Taiping Medicine, of a guarantee of up to RMB1,408,875,000 in respect of credit facilities to be obtained by Taiping Medicine from third-party financial institutions, as further elaborated in Section 3 of this Annexure
“Proposed TJZX Medicine Guarantee (Third-Party)”	:	The proposed provision by the Company, in proportion to the Company’s indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB1,257,150,000 in respect of credit facilities to be obtained by TJZX Medicine from third-party financial institutions, as further elaborated in Section 3 of this Annexure
“Proposed TJZX Medicine Guarantee (TPGF)”	:	The proposed provision by the Company, in proportion to the Company’s indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB433,500,000 in respect of credit facilities to be obtained by TJZX Medicine from TPGF, as further elaborated in Section 3 of this Annexure
“Proposed TPGF IPT”	:	The proposed entry into the Agreement 2026 between the Company and TPGF as an interested person transaction and all transactions arising therefrom, as further elaborated in Section 2 of this Annexure

DEFINITIONS

<i>“Proxy Form”</i>	:	The proxy form in respect of the 2026 AGM
<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
<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 the management team of the Company, so that all the aforementioned parties will make a joint effort for the long-term development of the Company. The incentive instruments issued under the Scheme are A-Shares only, and those eligible to participate in the Scheme include directors, members of senior management, members of the Company’s management team whom the Board considers should be motivated, leading-level scientific research experts, core personnel for scientific research and technology, and members of the core management team of the subordinate enterprises of the Company (excluding the Company’s associated companies) ⁶
<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, modified and/or supplemented from time to time

⁶ For further details of the Scheme, please refer to the Company’s circular dated 15 November 2019.

DEFINITIONS

“SGXNet”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares (comprising A-Share Shareholders and S-Share Shareholders) except that where the registered holder is CDP, the term “Shareholders” 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
“Shares”	:	Ordinary shares in the capital of the Company, comprising A-Shares and S-Shares
“SSE”	:	Shanghai Stock Exchange
“SSE Listing Rules”	:	The Listing Rules of 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
“subsidiaries”	:	The subsidiaries of a corporation as determined in accordance with the laws of the PRC or Singapore (as the case may be), and “subsidiary” shall be construed accordingly
“Subsisting Guarantee”	:	The provision of a guarantee of up to RMB1,900 million by the Company for TJZX Medicine, which was approved by Shareholders at the 2024 AGM ⁷
“Substantial Shareholder”	:	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
“Taiping Medicine”	:	Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (津药太平医药有限公司, formerly known as 天津医药集团太平医药有限公司), whose shareholders as at the Latest Practicable Date are TPH and the Company, holding 56.65% and 43.35% of its equity interest, respectively

⁷ For further details of the Subsisting Guarantee, please refer to Appendix B to the Company’s announcement dated 29 March 2024 in relation to, *inter alia*, the resolutions passed at the 1st Board meeting for FY2024, and its announcement dated 15 May 2024 in relation to the poll results of the 2024 AGM.

DEFINITIONS

“Taiping Medicine 2025 Guarantee”	:	The provision by the Company, in proportion to its equity interest in Taiping Medicine, of a guarantee of up to RMB1,647.3 million for Taiping Medicine, which was approved by the Independent Shareholders at the 2025 AGM ⁸
“Term”	:	In relation to the Agreement 2026, the period of three (3) years from 1 July 2026 to 30 June 2029
“TJZX Medicine”	:	Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司), a wholly-owned subsidiary of Taiping Medicine as at the Latest Practicable Date
“TJZX Medicine 2025 Guarantee”	:	The provision by the Company, in proportion to its indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB815 million for TJZX Medicine, which was approved by the Independent Shareholders at the 2025 AGM ⁹
“TPGF”	:	Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司), a subsidiary of TPH as at the Latest Practicable Date
“TPH”	:	Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), the Controlling Shareholder of the Company holding approximately 43.008% of the issued share capital of the Company as at the Latest Practicable Date
“TPH group”	:	TPH and its subsidiaries and associated companies

Currencies, units and others

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

⁸ For further details of the Taiping Medicine 2025 Guarantee, please refer to the annexure dated 30 April 2025 accompanying the notice of the 2025 AGM in relation to, *inter alia*, the Taiping Medicine 2025 Guarantee, and the Company’s announcement dated 15 May 2025 in relation to the poll results of the 2025 AGM.

⁹ For further details of the TJZX Medicine 2025 Guarantee, please refer to the annexure dated 30 April 2025 accompanying the notice of the 2025 AGM in relation to, *inter alia*, the TJZX Medicine 2025 Guarantee, and the Company’s announcement dated 15 May 2025 in relation to the poll results of the 2025 AGM.

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 Annexure 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 Annexure shall, where applicable, have the same meaning ascribed to it under the Listing Manual, the SFA or any statutory modifications thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of a day in this Annexure is a reference to Singapore time, unless otherwise stated.

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

The English names of certain PRC companies, entities and authorities in this Annexure 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

30 April 2026

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

Dear Sir/Madam

- (1) **THE PROPOSED ENTRY INTO THE FINANCIAL SERVICES AGREEMENT BETWEEN THE COMPANY AND TIANJIN PHARMACEUTICAL GROUP FINANCE CO., LTD. (天津医药集团财务有限公司) AS AN INTERESTED PERSON TRANSACTION AND ALL TRANSACTIONS ARISING THEREFROM;**
- (2) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB1,408,875,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN PHARMACEUTICAL GROUP TAIPING MEDICINE CO., LTD. (津药太平医药有限公司) FROM THIRD-PARTY FINANCIAL INSTITUTIONS AS AN INTERESTED PERSON TRANSACTION;**
- (3) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB1,257,150,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司) FROM THIRD-PARTY FINANCIAL INSTITUTIONS AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) **THE PROPOSED PROVISION BY THE COMPANY OF A GUARANTEE OF UP TO RMB433,500,000 IN RESPECT OF CREDIT FACILITIES TO BE OBTAINED BY TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司) FROM TIANJIN PHARMACEUTICAL GROUP FINANCE CO., LTD. (天津医药集团财务有限公司) AS AN INTERESTED PERSON TRANSACTION**

LETTER TO SHAREHOLDERS

1. INTRODUCTION

1.1 Overview

We refer to the Notice of AGM of the Company dated 30 April 2026 convening the 2026 AGM, and, in particular, to:

- (a) Resolution 12, relating to the proposed entry into the Agreement 2026 between the Company and TPGF as an interested person transaction and all transactions arising therefrom (the “**Proposed TPGF IPT**”);
- (b) Resolution 13, relating to the proposed provision by the Company, in proportion to its equity interest in Taiping Medicine, of a guarantee of up to RMB1,408,875,000 in respect of credit facilities to be obtained by Taiping medicine from third-party financial institutions as an interested person transaction (the “**Proposed Taiping Medicine Guarantee**”);
- (c) Resolution 14, relating to the proposed provision by the Company, in proportion to its indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB1,257,150,000 in respect of credit facilities to be obtained by TJZX Medicine from third-party financial institutions as an interested person transaction (the “**Proposed TJZX Medicine Guarantee (Third-Party)**”); and
- (d) Resolution 15, relating to the proposed provision by the Company, in proportion to its indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB433,500,000 in respect of credit facilities to be obtained by TJZX Medicine from TPGF as an interested person transaction (the “**Proposed TJZX Medicine Guarantee (TPGF)**”), together with the Proposed Taiping Medicine Guarantee and the Proposed TJZX Medicine Guarantee (Third-Party), the “**Proposed Guarantees**”),

(collectively, the “**Proposed IPTs**”), as further elaborated in Sections 2, 3 and 4 below.

1.2 Purpose of this Annexure

The purpose of this Annexure is to provide Shareholders with information pertaining to, and to seek the approval of the Independent Shareholders for, the Proposed IPTs at the forthcoming 2026 AGM to be held at the meeting room of the Company’s Modern Traditional Chinese Medicine Industrial Park located at No. 21 Tenth Avenue, Binhai New Area, Tianjin, the PRC (中国天津市滨海新区第十大街21号津药达仁堂集团现代中药产业园会议室) (concurrently via video conferencing at Meeting Room 2&3, 126 Beach Road, Guoco Midtown Network Hub Level 2, Singapore 189772 for S-Share Shareholders in Singapore) on Friday, 15 May 2026 at 1:30 p.m..

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.

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1.3 No Inter-conditionality

For the avoidance of doubt, Resolution 12 relating to the Proposed TPGF IPT, Resolution 13 relating to the Proposed Taiping Medicine Guarantee, Resolution 14 relating to the Proposed TJZX Medicine Guarantee (Third-Party), and Resolution 15 relating to the Proposed TJZX Medicine Guarantee (TPGF) are not inter-conditional. Accordingly, subject to obtaining the requisite Shareholders' approval, each of the Proposed TPGF IPT, the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party), and the Proposed TJZX Medicine Guarantee (TPGF) may proceed independently, irrespective of whether any of the other proposals is approved.

1.4 SGX-ST

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

1.5 Legal Adviser

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

2. THE PROPOSED TPGF IPT

2.1 Information on TPGF, TPH and TPH Group

2.1.1 Information on TPGF

(a) Incorporation of TPGF

On 23 April 2015, the Company duly convened its 4th Board meeting for the financial year ended 31 December 2015, and the Board considered and approved the proposed incorporation of TPGF. On the same day, the Company announced that the Company had entered into a joint venture agreement with the then other four (4) shareholders of TPGF (i.e. TPH, Tianjin Yaoye Group Co., Ltd. (天津药业集团有限公司) (“**Yaoye Group**”), Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生制药股份有限公司) (“**Lisheng Pharmaceutical**”), and Tianjin Jin Yi Investment Guarantee Co., Ltd. (天津金益投资担保有限责任公司) (“**Jin Yi Investment**”)), pursuant to which TPGF shall be incorporated to provide financial services within its business scope as approved by the National Financial Regulatory Administration (国家金融监督管理总局) (i.e. the NFRA) (formerly known as the China Banking and Insurance Regulatory Commission (中国银行保险监督管理委员会)).¹⁰

Subsequently, TPGF was incorporated as a limited liability company in the PRC on 14 September 2016 with a registered capital of RMB500 million, of which TPH contributed RMB250 million, the Company, Yaoye Group and Lisheng Pharmaceutical each contributed RMB75 million, and Jing Yi Investment contributed RMB25 million, representing 50%, 15%, 15%, 15% and 5% of the registered capital of TPGF, respectively.

¹⁰ For further details, please refer to the Company's announcement dated 23 April 2015 in relation to the resolutions passed at the 4th Board meeting for the financial year ended 31 December 2015, and its announcement dated 23 April 2015 in relation to the joint venture.

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As a non-bank financial institution approved by the NFRA, Tianjin Office, TPGF was established to provide financial services within its approved business scope to the member entities of the TPH group (including the Company). TPGF will set up cash pooling in banks to provide financing channels and lower the cost of financing for the member entities of the TPH group (including the Company). This will optimise the utilisation of surplus funds of the member entities of the TPH group (including the Company).

(b) Corporate Information

As at the Latest Practicable Date:

- (i) TPGF has a registered capital of RMB1,000 million;
- (ii) TPGF is located at 3-2-501/502, 3-3-501 Ronghe Square, No. 168 Fourth West Road, Tianjin Pilot Free-Trade Zone (Airport Economic Area) (天津自贸试验区 (空港经济区) 西四道168号融和广场3-2- 501/502; 3-3-501);
- (iii) the board of directors of TPGF comprises Mr. Xing Jianhua (辛建华), Mr. Ma Jian (马健), Ms. Niu Shengfang (牛胜芳), Mr. Zhu Liyan (朱立延), and Ms. Xie Xi (谢希); and
- (iv) Mr. Xing Jianhua is the legal representative of TPGF.

As at the Latest Practicable Date, the business activities of TPGF as approved by the NFRA (i.e. the Business Scope) include the following:

- (i) absorbing deposits from the member entities of TPH group (吸收成员单位存款);
- (ii) providing loans to the member entities of the TPH group (办理成员单位贷款);
- (iii) conducting discounting of negotiable instruments for the member entities of the TPH group (办理成员单位票据贴现);
- (iv) providing fund settlement, receipt and payment services for the member entities of the TPH group (办理成员单位资金结算与收付);
- (v) providing entrusted loans, bond underwriting, non-financing guarantees, financial advisory services, credit attestation services,¹¹ and consultancy and agency services to member entities of the TPH group (提供成员单位委托贷款、债券承销、非融资性保函、财务顾问、信用鉴证及咨询代理业务);
- (vi) engaging in inter-bank borrowings (从事同业拆借);
- (vii) handling acceptance of negotiable instruments for the member entities of the TPH group (办理成员单位票据承兑); and
- (viii) engaging in fixed income securities investment (从事固定收益类有价证券投资).

¹¹ For the avoidance of doubt, TPGF provides financial services (including financial advisory services, credit attestation services, and consultancy and agency services) exclusively to the member entities of the TPH group (including the Company), and not to any other clients.

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As at the Latest Practicable Date, the shareholdings in TPGF are in the following proportions:

No.	Name of Shareholder	Equity Contribution (RMB)	Shareholding Proportion
1.	TPH	500 million	50%
2.	The Company	300 million	30%
3.	Yaoye Group	150 million	15%
4.	Jin Yi Investment	50 million	5%
	Total	1,000 million	100%

In accordance with the provisions of the PRC Company Law and the articles of association of TPGF, the Company has nominated Mr. Ma Jian, the Chief Financial Officer of the Company as at the Latest Practicable Date, as a director of TPGF. The Company believes that such nomination by shareholder(s) to the board of directors of a finance company is common practice in the finance industry in the PRC.

In addition, as at the Latest Practicable Date:

- (i) Mr. Xing Jianhua, a Non-Executive and Non-Independent Director of the Company, is also a director and the legal representative of TPGF, and a member of the senior management of TPH;
- (ii) Mr. Guo Min, an Executive Director of the Company, is also a director of TPH;
- (iii) Ms. Wang Lei, the Chairman and an Executive Director of the Company, is also the legal representative and a member of the senior management of TPH; and
- (iv) Ms. Mao Weiwen, a Non-Executive and Non-Independent Director of the Company, is also a member of the senior management of TPH.

Save as disclosed above, there are no common members on the boards or in the management of the Company, TPGF and TPH.

For details of the review procedures in relation to the Proposed TPGF IPT, including the basis on which the Company considers that the independence of the Proposed TPGF IPT will not be compromised notwithstanding the above appointments or positions, please refer to Section 2.6 of this Annexure.

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(c) Key Financial Information

The key financial information of TPGF is set out below:

Items	As at 31 December 2025 (audited) (RMB'000)	As at 28 February 2026 (unaudited) (RMB'000)
Total assets	4,615,520.8	4,339,077.1
Total liabilities	3,471,842.6	3,167,269.9
Net assets	1,143,678.2	1,171,807.2
Items	January to December 2025 (audited) (RMB'000)	January to February 2026 (unaudited) (RMB'000)
Revenue	65,751.6	8,478.6 ⁽¹⁾
Profit before tax	29,474.6	37,003.0 ⁽¹⁾
Net profit/(loss)	24,191.1	28,128.9 ⁽¹⁾

Note:

- (1) For the avoidance of doubt, the profit before tax and net profit for the period from January to February 2026 were higher than the revenue for the same period mainly due to a reversal of expected credit loss provisions of approximately RMB31.73 million recorded by TPGF. Such reversal arose from a decrease of approximately RMB1,058 million in the loan balance as at 31 January 2026, as compared to 31 December 2025, and was recognised in profit or loss but did not constitute revenue.

2.1.2 Information on TPH and TPH Group

(a) Information on TPH

TPH, a limited liability company incorporated in the PRC on 27 June 1996, is a large pharmaceutical group with a comprehensive pharmaceutical industry chain in the PRC. It has been ranked among the top 100 pharmaceutical companies in the country for several consecutive years. TPH is principally engaged in pharmaceutical manufacturing and distribution, including, amongst others, the manufacturing of Chinese proprietary medicines, chemical drugs and chemical raw materials, as well as operating in the medical devices and health and wellness sectors. As a conglomerate, TPH's headquarters does not engage in business activities directly, and its operations are predominantly carried out through its subsidiaries.

As at the Latest Practicable Date:

- (i) TPH is the Controlling Shareholder of the Company holding approximately 43.008% of the issued share capital of the Company;
- (ii) TPH has a registered capital of RMB5,492.95 million, with its shareholders being Jinhushen Biological Medical Science and Technology Co., Ltd (津沪深生物医药科技有限公司) and Tianjin Guoyu Enterprise Management Co., Ltd. (天津国宇企业管理有限公司), holding 67% and 33%, respectively;

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(iii) the board of directors of TPH comprises Mr. Feng Huang (冯煌) (chairman), Mr. Zhang Wang (张旺) (vice chairman), Mr. Guo Min (郭珉) (vice chairman), Mr. Jiang Kai (蒋恺), Mr. Jia Wei (贾伟), Mr. Luo Xuan (罗谏), Mr. Wang Dong (王东), Mr. Wang Guanghua (王光华), and Mr. Xue Yangxue (徐阳雪); and

(iv) the legal representative of TPH is Ms. Wang Lei (王磊).

(b) Information on TPH Group

The TPH group comprises listed companies such as the Company and Tianjin Tianyao Pharmaceutical Co., Ltd. (天津天药药业股份有限公司), as well as non-listed companies, of which, 83 legal person entities and 62 branches within the TPH group have made use of the financial services provided by TPGF within its approved business scope as at the Latest Practicable Date.

2.2 Prior Agreements and Agreement 2026

2.2.1 Prior Agreements

The Company first entered into a financial services agreement with TPGF in 2016, pursuant to which TPGF provided the Company with certain financial services, including settlement and intermediary services, deposit services and credit business services (such as providing loans to the Company). Save for the first financial services agreement, which was entered into on 30 December 2016 for a term of six (6) months, the financial services arrangements between the Company and TPGF have thereafter been renewed on a triennial basis, with each renewal superseding the preceding agreement. Specifically, the financial services agreements entered into on 1 July 2017, 1 July 2020 and 1 July 2023 (collectively, the “**Prior Agreements**”) were each entered into for a term of three (3) years.

The terms of the Prior Agreements were largely consistent in terms of the scope of financial services provided and the pricing policies and the basis thereof. Save for the first financial services agreement in 2016, the entry into the Prior Agreements and the transactions contemplated thereunder were each approved by Shareholders in accordance with the requirements of Chapter 9 of the Listing Manual.

The most recent financial services agreement between the Company and TPGF is the agreement entered into on 1 July 2023 for a term of three (3) years expiring on 30 June 2026 (the “**Agreement 2023**”),¹² which was approved by the Independent Shareholders at the 2023 AGM.

2.2.2 Agreement 2026

As the term of the Agreement 2023 will expire on 30 June 2026, the Company proposes to renew its financial services arrangement with TPGF by entering into a new financial services agreement on substantially the same terms as those set out in the Agreement 2023, save for the revisions to the pricing policies and the basis thereof, as further elaborated in Section 2.5.7 of this Annexure (the “**Agreement 2026**”). For the avoidance of doubt, the scope of the Financial Services proposed to be provided under the Agreement 2026 remains substantially similar to that under the Agreement 2023. The term for the

¹² For further details of the Agreement 2023, please refer to the annexure dated 28 April 2023 to the notice of AGM for FY2022 and the Company’s announcement dated 15 May 2023 in relation to the poll results of the 2023 AGM.

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Agreement 2026 is proposed to be from 1 July 2026 to 30 June 2029 (the “Term”). The Company had, on 30 March 2026, announced that it proposes to enter into the Agreement 2026 with TPGF.

As at the Latest Practicable Date, TPH (the Controlling Shareholder of the Company as at the Latest Practicable Date) holds 50% equity interest in TPGF. Accordingly, TPGF is regarded as an associate of TPH and is therefore considered an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual. As such, the entry into the Agreement 2026 between TPGF and the Company constitutes an interested person transaction under Chapter 9 of the Listing Manual (i.e. the Proposed TPGF IPT). As the value of the Proposed TPGF IPT for the Term is an aggregate of **RMB1,695 million**,¹³ representing approximately 24.17% of the Group’s latest audited NTA of RMB7,013,306,000 as at 31 December 2025, it is subject to the approval of the Independent Shareholders pursuant to Rule 906(1) of the Listing Manual. Further details of the foregoing are set out in Section 4 of this Annexure.

Subject to the Independent Shareholders’ approval having been obtained for the Proposed TPGF IPT at the forthcoming 2026 AGM, the Agreement 2023 will be superseded by the Agreement 2026 with effect from 1 July 2026.

2.3 Rationale for, and Benefits of, the Proposed TPGF IPT

As stated in Section 2.1.1 of this Annexure, TPGF is a non-bank financial institution approved by the NFRA, Tianjin Office, and was established to provide, within its approved business scope, financial services to the member entities of the TPH group (including the Company). TPGF will set up cash pooling arrangements with banks to provide financing channels and lower the cost of financing for the member entities of the TPH group (including the Company). This will optimise the utilisation of surplus funds of the member entities of the TPH group (including the Company).

As a financial institution, TPGF operates in strict compliance with the applicable regulatory requirements of the NFRA and conducts its financial business in a prudent manner. Accordingly, TPGF strictly implements the regulatory requirements and indicators prescribed by the NFRA for the industry, controls its capital adequacy ratio and level of liabilities, maintains good liquidity, and seeks to meet the funding needs of all the member entities of the TPH Group. In addition, in accordance with the requirements of Article 14 of the *Administrative Measures on Finance Companies of Enterprise Groups (Order of the China Banking and Insurance Regulatory Commission No. 6 of 2022)* (《企业集团财务公司管理办法》(中国银行保险监督管理委员会令 2022 年第 6号)), issued by the NFRA on 13 October 2022 and taking effect from 13 November 2022, Article 18(6) of the articles of association of TPGF clearly provides that “*Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), as the parent company of TPGF, undertakes to inject additional capital, where necessary, to address any payment difficulties faced by TPGF in emergency situations*”. This provides an additional layer of support to TPGF in emergency situations.

¹³ RMB1,695 million represents the aggregate of:

- (i) RMB15 million, being the maximum service fees payable by the Company for the Term;
- (ii) RMB180 million, being the estimated maximum interest payable on the credit facilities granted to the Company for the Term; and
- (iii) RMB1,500 million, being the maximum daily balance in the Company’s deposit account with TPGF (including accrued interest).

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In addition, TPGF will ensure that the Company has access to funding through the following measures:

- (a) monitoring the Company's short-term funding requirements on an ongoing and timely basis and reserving sufficient funds through fund budget management;
- (b) analysing the capital characteristics of each member entity of the TPH group (including the Company) and reserving sufficient funds, after making appropriate safety provisions, to meet their respective funding needs;
- (c) maintaining a certain level of liquid assets that can be readily realised, such as time deposits that may be withdrawn on demand and bank acceptance bills that may be rediscounted, to meet any funding requirements in a timely manner;
- (d) placing statutory and excess deposit reserves with the PBOC, which may be utilised to address liquidity needs when required;
- (e) complying with the liquidity requirements prescribed by the PRC regulatory authorities, including maintaining a minimum liquidity ratio and statutory deposit reserve ratio;¹⁴ and
- (f) obtaining short-term liquidity through inter-bank borrowings, subject to the applicable regulatory limits.¹⁵

If, notwithstanding the foregoing measures, TPGF were to face liquidity constraints, TPH shall, pursuant to the *Administrative Measures on Finance Companies of Enterprise Groups* (《企业集团财务公司管理办法》) and the articles of association of TPGF, provide financial support to meet such liquidity needs.

By obtaining loans from TPGF, the Group is able to secure stable financing support at competitive financing costs. The pricing policies and the basis thereof for the Financial Services to be provided by TPGF under the Agreement 2026 are clearly set out in the Agreement 2026 (as described in Section 2.5.4 of this Annexure) and have been reviewed and approved by the Audit Committee. The actual transactions arising therefrom (if any) will be carried out by the personnel of the Company's finance department in accordance with such pricing policies and basis, and subject to the review procedures set out in Section 2.6 of this Annexure. In this regard, since the signing of the Agreement 2023, the terms under which the Company has obtained loans from TPGF have not been higher than those offered by other financial institutions in the PRC during the corresponding period. As at the Latest Practicable Date, the Group did not have any outstanding loans from TPGF.

The deposit services provided by TPGF enhance the Company's fund management efficiency and utilisation of available funds, as:

- (a) TPGF provides secure and efficient online banking services, enabling the Company to monitor its account balances and fund movements in a timely manner;

¹⁴ For example, as at the Latest Practicable Date, the NFRA stipulates that, for a finance company, the liquidity ratio shall not be less than twenty-five per cent. (25%) and the statutory deposit reserve ratio shall not be less than five per cent. (5%).

¹⁵ As at the Latest Practicable Date, TPGF is permitted to obtain short-term liquidity through inter-bank borrowing of up to RMB1,000 million, with a borrowing tenor of seven (7) days.

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- (b) payments and settlements may be conducted efficiently through TPGF's internal transfer mechanisms, facilitating convenient fund transfers between the Company and its branches; and
- (c) TPGF is able to provide timely¹⁶ credit support to the Company, thereby reducing the need for the Company to maintain excessive cash reserves.

The settlement and intermediary services¹⁷ provided by TPGF also facilitate more efficient and convenient settlement arrangements between the Company and other member entities of the TPH group, and contribute to improving the Company's capital turnover efficiency.

Accordingly, the Company considers that the Proposed TPGF IPT will enable the Company to broaden its financing channels, reduce financing costs, ensure adequate working capital and enhance overall capital utilisation efficiency.

2.4 Total Amount of Financial Services to be provided under the Agreement 2026

Under the Agreement 2026, the total amount of the Financial Services to be provided by TPGF to the Company for the Term shall not exceed **RMB3,195 million**, being the aggregate of the respective amounts set out in the table below. For ease of comparison, the corresponding amounts under the Agreement 2023 are also shown below:

Item	Agreement 2023	Agreement 2026
Maximum service fees ¹⁸ payable by the Company for the three (3)-year term	RMB15 million	RMB15 million
Maximum daily balance in the deposit account with TPGF (including accrued interest)	RMB1,500 million	RMB1,500 million
Maximum daily balance of credit facilities granted to the Company (excluding interest)	RMB1,500 million	RMB1,500 million

¹⁶ TPGF, as a non-bank financial institution established to provide financial services to the member entities of the TPH group, is more familiar with the businesses and operations of the member entities of the TPH group than other financial institutions in the market. In addition, TPGF's review and approval processes are faster and more convenient, enabling it to provide funding support more promptly.

¹⁷ "settlement and intermediary services" include, but are not limited to, bills of exchange, collection with acceptance, entrusted collection, remittance services, receipt and payment settlement services, and agency collection and payment services. The transactions to be conducted between the Company and TPGF will be within the scope of the Agreement 2026, and the Company will be able to dispose of its bank deposits with TPGF at the Company's discretion, without being subject to the control of TPGF. TPGF, as a non-bank financial institution, shall carry out its settlement business in accordance with the deposit and/or withdrawal needs of the Company. When a member entity of the TPH group has a funding need, such member entity may determine for itself whether to obtain such funding, and TPGF will satisfy such funding need accordingly.

¹⁸ "service fees" refer to the fees payable for the provision of financial services by TPGF to the Company, including account management fees, UKEY usage fees, settlement handling fees and inquiry fees. The foregoing service fees were waived by TPGF for the financial services provided under the Prior Agreements.

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Item	Agreement 2023	Agreement 2026
Estimated maximum interest payable on the credit facilities for the three (3)-year term	RMB157.5 million	RMB180 million
Total	RMB3,172.5 million	RMB3,195 million

The individual limits were arrived at based on the principles of legality, voluntariness and mutual benefit, taking into consideration the following factors:

- (a) the maximum service fees payable by the Company of up to RMB5 million per annum were determined based on the Company's needs for such banking services during the Term and the estimated costs and expenses that may be incurred by TPGF in providing those services;
- (b) the maximum daily balance in the Company's deposit account with TPGF (including accrued interest) of up to RMB1,500 million (amounting to approximately 26.68% of the Company's current cash on hand of approximately RMB5,622 million as at 31 December 2025) was determined based on the average bank deposits made by the Company of approximately RMB5,200 million, after deducting restricted cash of approximately RMB49 million (being proceeds raised which can only be utilised in accordance with the requirements of the China Securities Regulatory Commission (中国证券监督管理委员会) (i.e. the CSRC));
- (c) the maximum daily balance of credit facilities of up to RMB1,500 million (excluding interest) was in line with the maximum daily balance in the Company's deposit account with TPGF (including accrued interest) of RMB1,500 million;¹⁹ and
- (d) the estimated maximum interest payable on the credit facilities granted to the Company of up to RMB60 million per annum was determined based on an assumed full drawdown of RMB1,500 million and an estimated average interest rate of approximately 4% per annum.²⁰

¹⁹ For the avoidance of doubt, the maximum daily balance of credit facilities of up to RMB1,500 million (excluding interest) refers to the amount of outstanding loans extended to the Company on any day, which shall not exceed RMB1,500 million, and is different from the maximum daily balance in the Company's deposit account with TPGF (including accrued interest) of RMB1,500 million. As a non-bank financial institution approved by the NFRA, Tianjin Office, the amount of loans that TPGF may provide is subject to regulatory constraints based on the size of its deposits and capital base. Accordingly, the maximum limit of credit facilities that may be granted is aligned with the maximum amount of funds that could be deposited with TPGF. Nevertheless, the granting of credit facilities by TPGF is not contingent upon the Company maintaining deposits with TPGF. For illustrative purposes, if the Company does not have any funds deposited with TPGF on a particular day, TPGF would nonetheless be able to provide loans of up to RMB1,500 million to the Company, subject to liquidity availability.

²⁰ For reference, as at the Latest Practicable Date, the LPR published by the National Inter-bank Funding Centre (全国银行间同业拆借中心) (i.e. the Centre) (as authorised by the PBOC) for a one (1)-year loan is 3%. The estimated maximum annual interest payable of up to RMB60 million is a cap and does not mean that interest will actually be charged at a loan interest rate of 4% per annum. In setting the foregoing cap, the potential interest rate movements over the next three (3) years have been taken into account. In the event that interest rates rise such that the LPR published by the Centre (as authorised by the PBOC) and/or the relevant market interest rate level exceeds 4% per annum over the next three (3) years, TPGF is expected, subject to compliance with the applicable interest rate policies and the requirements of the PBOC and the NFRA, to implement practicable measures to keep the average loan interest rate level within 4% per annum, so as to fulfil its core function of providing financial services to the member entities of the TPH group.

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TPGF shall offer the Company preferential credit interest rates and fee rates, which shall not be higher than those obtainable by the Company from the six (6) major state-owned commercial banks in the PRC²¹ for credit facilities of the same type and tenor.

2.5 Main Terms of the Agreement 2026

2.5.1 Principles of Cooperation

Each party is legally authorised to enter into the Agreement 2026 and has entered into the Agreement 2026 on a voluntary basis for its own commercial benefit.

2.5.2 Condition Precedent

The Agreement 2026 is conditional upon all approvals being granted by or obtained from, *inter alia*, the Independent Shareholders of the Company at a general meeting.

2.5.3 Financial Services

TPGF shall, within the Business Scope as approved by the NFRA, provide the following Financial Services to the Company:

- (a) settlement and intermediary services (结算及中间业务服务), including, but not limited to, bills of exchange, collection with acceptance, entrusted collection, remittance services, receipt and payment settlement services, and agency collection and payment services. The Company shall open a settlement account with TPGF, and TPGF shall, in accordance with the Company's instructions, provide collection and payment services to the Company, as well as other ancillary services related to settlement services. The fees charged by TPGF for the provision of settlement and intermediary services to the Company shall not be higher than those charged by TPGF to other third parties for similar services during the same period. The aggregate service fees payable by the Company for such settlement and intermediary services shall not exceed RMB5 million per annum;
- (b) deposit services (存款服务),²² including, but not limited to, demand deposits, time deposits, negotiated deposits and call deposits. The Company shall open a deposit account with TPGF and, on a free deposit and withdrawal basis, place its funds into the deposit account maintained with TPGF. The maximum daily balance in the deposit account (including accrued interest) shall not exceed RMB1,500 million; and
- (c) credit business services (信贷业务), including, but not limited to, loan services such as working capital loans, fixed asset loans and project loans, as well as bill acceptance and bill discounting. Within the scope permitted under applicable PRC Laws, TPGF shall, in accordance with the requirements of the NFRA, and having regard to its own operating principles and credit policies, use its best endeavours to support the business development of the Company, including by designing reasonable financing arrangements for the Company and providing loan services, bill discounting and other

²¹ The six (6) major state-owned commercial banks in the PRC are (i) Industrial and Commercial Bank of China Limited (中国工商银行), (ii) Agricultural Bank of China Limited (中国农业银行), (iii) Bank of China Limited (中国银行), (iv) China Construction Bank Corporation (中国建设银行), (v) Bank of Communications Co., Ltd. (中国交通银行), and (vi) Postal Savings Bank of China (中国邮政储蓄银行).

²² Please refer to Section 2.6.4 of this Circular for additional disclosures on the deposit-related risks, safeguards and ongoing monitoring of TPGF.

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credit business services. The maximum daily balance of the credit facilities (excluding interest) to be provided by TPGF to the Company during the Term shall not exceed RMB1,500 million. The aggregate amount of interest payable on such credit facilities over any consecutive twelve (12)-month period shall not exceed RMB60 million, which shall be calculated on a cumulative basis for the period from 1 January to 31 December of each year.

2.5.4 Pricing Policies and Basis

- (a) In relation to the settlement and intermediary services (including fund settlement, bill acceptance and agency services) to be provided by TPGF to the Company, the pricing shall be determined with reference to prevailing market levels at the time such services are provided. TPGF shall offer the Company preferential fee rates, which shall not be higher than those offered by the six (6) major state-owned commercial banks in the PRC.
- (b) In relation to the deposit services to be provided by TPGF to the Company, the deposit interest rates shall be determined in compliance with the relevant requirements of the PBOC and the National Market Interest Rate Pricing Self-Disciplinary Mechanism (全国市场利率定价自律机制),²³ and shall not be lower than the interest rates offered by the six (6) major state-owned commercial banks in the PRC for deposits of the same type and tenor prevailing at the time the Company places such deposits.
- (c) In relation to the credit business services (including loans and bill discounting) to be provided by TPGF to the Company, the pricing shall be determined in accordance with the pricing methodologies prescribed by the PBOC, with reference to prevailing market interest rates at the time the Company intends to draw down funds under the credit facilities granted to the Company by TPGF. TPGF shall offer the Company preferential credit interest rates and fee rates, which shall not be higher than those obtainable by the Company from the six (6) major state-owned commercial banks in the PRC for credit facilities of the same type and tenor prevailing at the time the Company draws down funds.
- (d) For the purposes of the above comparison, references to the interest rates and fee rates offered by the six (6) major state-owned commercial banks in the PRC mean the generally applicable commercial interest rates and fee rates offered by such banks for products and services of the same type (and, where applicable, the same tenor/tier), and exclude any special interest rates or fee rates, such as policy loan interest rates or rates benefiting from government interest subsidies. This is because such special interest rates or fee rates are not generally available and may depend on specific policy support, subsidy arrangements and/or eligibility criteria. As such, they do not provide a consistent or readily comparable benchmark for pricing comparison purposes. Notwithstanding the foregoing, where any of the six (6) major state-owned commercial banks is able to offer the Company more favourable special interest rates and/or fee rates, TPGF will go through the necessary internal approval procedures to adjust its prevailing interest rates and/or fee rates accordingly, so that the pricing offered to the Company remains no less favourable than that available from such

²³ The National Market Interest Rate Pricing Self-Disciplinary Mechanism (全国市场利率定价自律机制), established on 24 September 2013, is a market-based self-disciplinary and coordination mechanism comprising financial institutions in the PRC. Subject to applicable PRC interest rate regulations, it facilitates self-discipline and coordination in relation to market interest rate pricing (including, amongst others, money market and credit market rates) set by financial institutions, with a view to promoting orderly market practices and fair competition.

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banks. For the avoidance of doubt, the Audit Committee is entitled to reject the quotations provided by TPGF and engage other financial institutions to provide financial services to the Company, where it considers such engagement to be in the best interests of the Company and its minority Shareholders.

2.5.5 Principles of Financial Services

- (a) TPGF will, within the Business Scope as approved by the NFRA, provide the Financial Services to the Company, and in accordance with the broad principles set out in Sections 2.5.1 and 2.5.5 of this Annexure, as well as the terms of the Agreement 2026 described in Section 2.5 of this Annexure. The specific terms and details of the Financial Services shall be set out in separate agreements²⁴ to be entered into and approved by TPGF and the Company.
- (b) The Financial Services to be provided by TPGF under the Agreement 2026 shall be applicable to the Company and its controlled subsidiaries (as defined under the PRC Laws).
- (c) In providing the Financial Services, TPGF may, where appropriate and subject to its business requirements, require the Company to provide corresponding security. For the avoidance of doubt, the Company has not been required to provide any security in connection with the provision of the financial services by TPGF since the signing of the Prior Agreements. In the event that the Company is required to provide any security in connection with the provision of the Financial Services by TPGF under the Agreement 2026, such provision of security will constitute a related party transaction under the PRC Laws (including the SSE Listing Rules) and an interested person transaction under the Listing Manual, and the Company will be required to obtain Shareholders' approval prior to the provision of such security.

2.5.6 Modification and Termination of the Agreement 2026

The Agreement 2026 is conditional upon all approvals being granted by or obtained from, *inter alia*, the Independent Shareholders of the Company at a general meeting and, upon satisfaction of such condition, shall take effect upon signing by the parties and be valid for a term from 1 July 2026 to 30 June 2029.

The Agreement 2026 may be amended or terminated by mutual agreement of the parties by way of a written supplemental agreement.

²⁴ This term is also contained in the Prior Agreements. For the provision of each financial service pursuant to the Agreement 2026, a specific contract needs to be entered into between TPGF and the Company, and the terms of such contract shall comply with applicable regulatory and market management requirements. For example, in relation to the opening of accounts, the parties will need to execute, *inter alia*, an "Application for Opening (Change) Corporate Settlement Account" (《开立(变更)单位结算账户申请书》); in relation to deposit services, the parties will need to execute, *inter alia*, a "Corporate Deposit Agreement" (《单位协定存款协议》) and an "Agreement on Administration of RMB Internal Settlement Accounts" (《人民币内部结算账户管理协议》); and in relation to loan services, the parties will need to execute, *inter alia*, a "Credit Line Contract" (《授信额度合同》), a "Working Capital Loan Contract" (《流动资金借款合同》) and a "Fixed Asset Loan Contract" (《固定资产借款合同》). For the avoidance of doubt, the broad principles and the terms of the Agreement 2026 (being in the nature of a framework agreement) shall guide and regulate the general principles and amounts of financial services to be provided by TPGF to the Company, even though such principles and terms may not be replicated in full in each specific contract subsequently entered into between TPGF and the Company.

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2.5.7 Key Difference between the Agreement 2026 and the Agreement 2023

A key difference between the Agreement 2026 and the Agreement 2023 lies in the revisions to the pricing policies and the basis thereof, as set out below:

Type of Service	Agreement 2023	Agreement 2026
Settlement and intermediary services	Pricing was determined with reference to prevailing market levels, and the fee rates charged by TPGF were required to be not higher than those offered by other domestic financial institutions in the PRC for comparable services.	Pricing shall be determined with reference to prevailing market levels, and the fee rates offered by TPGF shall not be higher than those offered by the six (6) major state-owned commercial banks in the PRC for comparable services.
Deposit services	Deposit interest rates were determined with reference to the interest rates published by the PBOC and were required to be not lower than those offered by other domestic financial institutions in the PRC for deposits of the same type and tenor.	Deposit interest rates shall be determined in compliance with the relevant requirements of the PBOC and the National Market Interest Rate Pricing Self-Disciplinary Mechanism (全国市场利率定价自律机制) , ²⁵ and shall not be lower than the interest rates offered by the six (6) major state-owned commercial banks in the PRC for deposits of the same type and tenor.
Credit business services	Pricing was determined with reference to the loan prime rate published by the National Inter-bank Funding Centre (全国银行间同业拆借中心) (as authorised by the PBOC) , and the credit interest rates and fee rates offered by TPGF were required to be not higher than those obtainable by the Company from other domestic financial institutions in the PRC for credit facilities of the same type and tenor.	Pricing shall be determined in accordance with the pricing methodologies prescribed by the PBOC with reference to prevailing market interest rate levels , and the credit interest rates and fee rates offered by TPGF shall not be higher than those obtainable by the Company from the six (6) major state-owned commercial banks in the PRC for credit facilities of the same type and tenor.

²⁵ See footnote 23.

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These revisions were made in light of the fact that interest rate pricing has become increasingly market-oriented in recent years, and the benchmark interest rate regime of the PBOC has gradually lost its significance as a pricing benchmark, with commercial banks generally adopting independent pricing mechanisms. While the underlying objective of TPGF in providing financial services to the Company remains unchanged, and TPGF will continue to offer interest rates and fee rates that are more favourable than those offered by external financial institutions, the revisions have been made to enhance the rigour, prudence and operability of the pricing policies and the basis thereof under the Agreement 2026. This is achieved by comparing TPGF's quotations with those obtained from the six (6) major state-owned commercial banks in the PRC, which provide a more credible and stable basis for comparison. The Company considers this to be beneficial to the Company and its minority Shareholders, as the six (6) major state-owned commercial banks represent large-scale financial institutions with strong financial standing, established risk management systems and significant market presence, such that their quotations provide a more reliable basis for assessing whether the pricing offered by TPGF is fair and competitive, while also taking into account prudent risk management considerations. In adopting this comparison basis, the Company has taken into account factors such as the credibility, stability, comparability and representativeness of the relevant quotations, so as to avoid undue reliance on quotations from certain financial institutions that may, at particular points in time, reflect unusually aggressive pricing and therefore may not provide an appropriate or sustainable basis for consistent comparison. For the avoidance of doubt, the adoption of the six (6) major state-owned commercial banks in the PRC as the principal comparison benchmark does not preclude the Company from taking into account more favourable interest rates and/or fee rates available from other financial institutions, where appropriate. Accordingly, the revised pricing policies are intended to strike an appropriate balance between commercial benefit and prudent risk management, and are not prejudicial to the interests of the Company and its minority Shareholders.

Save for the foregoing, there are no other material differences between the Agreement 2026 and the Agreement 2023.

2.6 Review Procedures and Safeguards in relation to the Proposed TPGF IPT

2.6.1 Independence of the Proposed TPGF IPT

Notwithstanding the appointment of (i) Mr. Ma Jian by the Company as a director of TPGF, (ii) Mr. Xing Jianhua as a director and the legal representative of TPGF, (iii) Mr. Guo Min as a director of TPH, and (iv) each of Ms. Wang Lei, Mr. Xing Jianhua and Ms. Mao Weiwen as a member of the senior management of TPH, in each case as at the Latest Practicable Date, the Company considers that the independence of the Proposed TPGF IPT will not be compromised for the following reasons:

- (a) although Mr. Ma Jian represents the Company on the board of directors of TPGF, the Company holds only thirty per cent. (30%) of the voting rights in TPGF as at the Latest Practicable Date and, accordingly, Mr. Ma Jian is not in a position to exercise control over or materially influence the board of directors of TPGF. Further, the pricing policies and basis for the Financial Services to be provided by TPGF under the Agreement 2026 are clearly set out in the Agreement 2026 (as described in Section 2.5.4 of this Annexure) and have been reviewed and approved by the Audit Committee. The actual transactions arising therefrom (if any) will be approved by the head of the finance department of the Company, being Mr. Ma Jian as at the Latest Practicable Date and carried out by the personnel of the Company's finance department in accordance with

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such pricing policies and basis, and subject to the review procedures set out in this Section 2.6. Save for the foregoing arrangement, which the Company believes is a common practice in the finance industry in the PRC where shareholder(s) nominate director(s) to the board of directors of a finance company, the Company will ensure that the head of the finance department of the Company has no interest in, or relationship with, the TPH group, whether directly or indirectly;

- (b) Mr. Xing Jianhua, as a Non-Executive and Non-Independent Director of the Company, is not involved in the day-to-day operations and management of the Company and will not be involved in the decision-making procedures in relation to the Proposed TPGF IPT;
- (c) the Interested Directors (i.e. Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen) shall, in accordance with the SSE Listing Rules, abstain from voting at the Board meeting in respect of the resolution approving the Proposed TPGF IPT and shall not act as proxies or otherwise for the purposes of voting on such resolution;
- (d) the proposed entry into the Agreement 2026 constitutes a related party transaction under the PRC Laws (including the SSE Listing Rules) and an interested person transaction under the Listing Manual and shall, in accordance with the relevant regulations of the CSRC and the SSE, as well as the Listing Manual, be subject to approval by Shareholders at a general meeting of the Company, at which the interested Shareholders shall abstain from voting, and such transaction shall only take effect upon approval by a majority of the Independent Shareholders; and
- (e) the Company compares the terms and conditions offered by TPGF with those offered by each of the six (6) major state-owned commercial banks in the PRC before deciding which institution to engage for its specific financial needs.

2.6.2 Review Procedures for the Proposed TPGF IPT

To ensure that the Proposed TPGF IPT is carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place the following review procedures in respect of the transactions contemplated under the Proposed TPGF IPT:

- (a) Settlement and intermediary services and credit business services: The Group will obtain quotations from TPGF and each of the six (6) major state-owned commercial banks in the PRC in respect of substantially similar types of transactions for comparison whenever the Company intends to obtain funds under the credit facilities granted by TPGF. The head of the finance department of the Company, being Mr. Ma Jian as at the Latest Practicable Date (or such other person appointed to such capacity from time to time), will review the quotations and approve the transaction, provided that the quotation offered by TPGF is not less favourable than those offered by the six (6) major state-owned commercial banks in the PRC and that the overall terms are in accordance with the usual industry practice and the business policies of the Group, as well as the pricing basis and policies as set out in the Agreement 2026.
- (b) Deposit services: The Group will obtain interest rates from TPGF and each of the six (6) major state-owned commercial banks in the PRC in respect of substantially similar types of deposits for comparison whenever the Company intends to place new deposits. In the event that the interest rates are adjusted by the PBOC, the interest

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rates for comparison will be re-examined. The head of the finance department of the Company, being Mr. Ma Jian as at the Latest Practicable Date (or such other person appointed to such capacity from time to time), will review the interest rates and approve the transaction, provided that the interest rates offered by TPGF are not less favourable than those offered by the six (6) major state-owned commercial banks in the PRC and that the overall terms are in accordance with the usual industry practice and the business policies of the Group, as well as the pricing basis and policies as set out in the Agreement 2026.

2.6.3 General Guidelines and Review Procedures for IPTs

The Proposed TPGF IPT will also be subject to the guidelines and review procedures adopted by the Company for interested person transactions generally, where applicable, including, but not limited to, the following:

- (a) All interested person transactions (including the transactions under the Agreement 2026) will be summarised and presented to the Audit Committee for review on a quarterly basis. For the avoidance of doubt, all transactions carried out under one (1) agreement are considered as one (1) transaction. Such review may include an examination of the relevant transactions, their supporting documents and such other information as the Audit Committee may deem necessary. In respect of the transactions under the Agreement 2026, such supporting documents and information may include quotations or pricing information obtained from the six (6) major state-owned commercial banks in the PRC, as well as evidence of compliance with the review procedures set out in this Section 2.6, for the purpose of ascertaining that such transactions have been carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If any transaction is identified as not having complied with the established review procedures and/or internal controls, the Audit Committee will consult with the Board and take such actions as it deems appropriate, including implementing such additional policies and procedures as may be necessary, requiring all subsequent transactions under the Agreement 2026 to be subject to the Audit Committee's prior review and approval, or requesting the Company to seek Shareholders' approval for revised review procedures. Pending such Shareholders' approval, all transactions under the Agreement 2026 shall be subject to the Audit Committee's prior review and approval. The Audit Committee may, when it deems fit, obtain additional information from independent sources or seek advice from independent advisers or valuers in relation to the transaction under review. Any member of the Audit Committee who is interested in a particular interested person transaction shall abstain from participating in the review of that transaction.
- (b) The Company's internal audit department will conduct quarterly reviews (such as sample checks) of the transactions (including all interested person transactions) entered into during the preceding financial period to ascertain compliance with the internal control guidelines and review procedures applicable to all transactions carried out by the Company (including the transactions under the Agreement 2026), and whether such transactions are carried out in accordance with the relevant contractual terms as well as the Company's policies and procedures, are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. The findings of such reviews will be submitted to the Audit Committee at its periodic meetings.

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- (c) The Company's internal audit department will conduct a special audit on the Company's use of funds on an annual basis and review the implementation of the Agreement 2026 and the supplementary agreements (if any) entered into between the Company and TPGF in connection therewith, and submit its findings to the Audit Committee.
- (d) As part of the Group's annual audit, external auditors will review the interested person transactions on a sampling basis or such other basis as may be appropriate under accepted auditing standards. The external auditors will report to the Audit Committee in the event of any non-compliance based on their audit samples or findings.
- (e) The Company will disclose the aggregate value of the transactions arising from the Proposed TPGF IPT in the format stipulated under Rule 907 of the Listing Manual in the Company's quarterly and full year financial statements and its annual report.

2.6.4 Deposit-related Risks, Safeguards and Ongoing Monitoring of TPGF

In relation to deposits placed by the Company with TPGF, TPGF does not impose any internal limits on concentration or tenor in respect of such deposits. Such deposits may, subject to the maximum daily balance limit and save in the case of fixed deposits, be placed with and withdrawn from TPGF as and when necessary. Based on the information available to the Company, it is not aware of any regulatory constraints, including those imposed by the NFRA or the PBOC, that would affect the Company's ability to withdraw its deposits placed with TPGF or TPGF's cash pooling arrangements with banks.

TPGF is a finance company established within the TPH group and provides financial services exclusively to the member entities of the TPH group (including the Company), and not to any other clients or members of the public. In light of the nature of this business model, Shareholders should note that deposits placed by the Company with TPGF under the Agreement 2026 are not covered by any deposit insurance or guarantee scheme, as TPGF, being a finance company serving only group members, is not covered by the PRC deposit insurance regime. Shareholders should further note that such deposits are unsecured and rank *pari passu* with the other general unsecured creditors of TPGF.

To safeguard the security of deposits placed by the Company with TPGF, the Company has put in place an ongoing risk monitoring mechanism to continuously monitor the financial position of TPGF. Such measures include:

- (a) obtaining and reviewing TPGF's financial statements and relevant regulatory indicators on a regular basis, and assessing whether TPGF's key regulatory indicators, including its capital adequacy and liquidity ratios, comply with the requirements under the *Measures for the Administration of Finance Companies of Enterprise Groups* (《企业集团财务公司管理办法》);
- (b) conducting continuous risk assessment on TPGF in accordance with applicable PRC regulatory requirements, under which TPGF's governance structure, risk identification and assessment, and risk control (including in respect of fund management, credit management, settlement business, internal audit and supervision, as well as information system control) are assessed on a continuing basis; and

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- (c) overseeing the effectiveness of TPGF’s internal controls through reliance on TPGF’s established “three lines of defence” (三道防线) risk management framework (comprising an independent risk management department, an audit department, and front-line business departments).

In addition, the Company regularly monitors its deposit and loan balances with TPGF to ascertain that no delay in payment has occurred due to any liquidity shortfall on the part of TPGF.

Through the foregoing ongoing monitoring, assessment, internal control review and liquidity tracking measures, the Company is able to monitor the financial position of TPGF on an ongoing basis and effectively safeguard deposits placed by it with TPGF.

Further, in compliance with the *Self-Regulatory Guidelines No. 5 of the Shanghai Stock Exchange for Listed Companies—Transactions and Related Party Transactions* (《上海证券交易所上市公司自律监管指引第5号—交易与关联交易》), the Company discloses its transactions with TPGF in its periodic reports, and obtains and reviews TPGF’s financial reports and prepares a continuous risk assessment report on a half-yearly basis, with such continuous risk assessment report²⁶ disclosed concurrently with its half-yearly and annual reports.

As at the Latest Practicable Date, based on the information available to the Company and its ongoing monitoring of TPGF, the Company is not aware that TPGF had, in the past 24 months, been subject to any qualified audit opinion, any regulatory breach or any material adverse event (including any liquidity incident).

3. THE PROPOSED GUARANTEES

3.1 Background

3.1.1 Company’s Proportionate Guarantee for TJZX Medicine following Capital Injection

On 10 September 2024, the Company convened its 5th Board meeting for FY2024, at which the Board considered and approved, amongst others, the proposed capital injection of RMB493,617,700 into Taiping Medicine by the Company through the transfer of the 100% equity interest in TJZX Medicine to Taiping Medicine (the “**Capital Injection**”). The Capital Injection was part of the Company’s strategic plan to streamline its business and focus on its core pharmaceutical industrial segment. Given the continued losses and high receivables in the pharmaceutical commercial segment, the Company believes that divesting this segment will enhance the Group’s financial performance, with the consolidated financial statements thereafter primarily reflecting the financial metrics of the pharmaceutical industrial segment. The Capital Injection also resolved the issue of competition within the same industry between the Company and its Controlling Shareholder (i.e. TPH) and is aligned with the long-term interests of the Company and its Shareholders.

²⁶ For the details of the latest continuous risk assessment report of TPGF, please refer to the Company’s announcement dated 30 March 2026 titled “*Continuous Risk Assessment Report of Tianjin Pharmaceutical Group Finance Co., Ltd.* (天津医药集团财务有限公司)”.

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Pursuant to the capital injection agreement in relation to the Capital Injection, the Company shall assume a proportionate liability equal to 43.35% of the Subsisting Guarantee²⁷ for TJZX Medicine (i.e. RMB823.65 million), in proportion to its equity interest in Taiping Medicine upon completion of the Capital Injection (the “**Company’s Proportionate Guarantee**”).²⁸

As stated in the 14 October 2024 Circular, following the completion of the Capital Injection, TJZX Medicine will become a wholly-owned subsidiary of Taiping Medicine, which, in turn, will be jointly held by TPH and the Company with 56.65% and 43.35% equity interests, respectively. As a result:

- (a) the Subsisting Guarantee (including the Company’s Proportionate Guarantee) will be classified as a related-party guarantee under the SSE Listing Rules; and
- (b) the Company’s Proportionate Guarantee will constitute an interested person transaction under Chapter 9 of the Listing Manual, with a transaction value exceeding five per cent. (5%) of the Group’s latest audited NTA.

Accordingly, the Company submitted the Company’s Proportionate Guarantee, together with the Capital Injection, for the approval of the Independent Shareholders at the 2024 1st EGM, which were duly obtained.

The Capital Injection was completed on or around 25 December 2024.

As at the Latest Practicable Date, there is no outstanding guarantee provided by the Company for TJZX Medicine under the Company’s Proportionate Guarantee.

3.1.2 Taiping Medicine 2025 Guarantee and TJZX Medicine 2025 Guarantee

The core businesses of Taiping Medicine and TJZX Medicine are centred on the pharmaceutical commercial segment, which requires substantial working capital for daily operations. Their operational funding needs are mainly met through financing from financial institutions. To support their respective working capital requirements, enhance capital utilisation efficiency, and reduce financing costs, TPH and the Company provided, in FY2025, proportionate guarantees for Taiping Medicine and TJZX Medicine based on their respective equity interests in both entities.

²⁷ “**Subsisting Guarantee**” means the provision of a guarantee of up to RMB1,900 million by the Company for TJZX Medicine (being then a wholly-owned subsidiary of the Company), which was approved by Shareholders at the 2024 AGM.

²⁸ For further details of the Capital Injection and the Company’s Proportionate Guarantee, please refer to the 14 October 2024 Circular and the Company’s announcement dated 29 October 2024 in relation to the poll results of the 2024 1st EGM.

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Specifically, the Company provided:

- (a) a guarantee of up to RMB1,647.3 million for Taiping Medicine in proportion to its equity interest in Taiping Medicine, which was approved by the Independent Shareholders at the 2025 AGM (i.e. the Taiping Medicine 2025 Guarantee);²⁹ and
- (b) a guarantee of up to RMB815 million for TJZX Medicine in proportion to its indirect equity interest in TJZX Medicine (through Taiping Medicine), which was approved by the Independent Shareholders at the 2025 AGM (i.e. the TJZX Medicine 2025 Guarantee).³⁰

As at the Latest Practicable Date, the outstanding guarantee amounts provided by the Company for TJZX Medicine and Taiping Medicine under the TJZX Medicine 2025 Guarantee and the Taiping Medicine 2025 Guarantee are approximately RMB255,250,729.43 and RMB189,491,981.83, respectively.

3.1.3 The Proposed Guarantees

In FY2026, aggregate credit facilities of approximately RMB3,250 million³¹ and approximately RMB3,900 million³² are proposed to be sought by Taiping Medicine and TJZX Medicine from financial institutions (including banks and TPGF), respectively. Accordingly, both Taiping Medicine and TJZX Medicine have requested the shareholders

²⁹ For the avoidance of doubt, the Company may, within one (1) year from the date of Shareholders' approval (i.e. from 15 May 2025 to 14 May 2026, both dates inclusive), enter into one or more guarantee agreements with the relevant bank(s), each of which will have a term of one (1) year from its date of execution. Accordingly, depending on the date(s) of execution, the contractual term of the relevant guarantee agreement(s) (if any) entered into pursuant to the Taiping Medicine 2025 Guarantee may remain in effect up to 13 May 2027 (for example, if a guarantee agreement is executed on 14 May 2026). Further, the guarantee liability period (i.e. the period during which the relevant bank(s) may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

³⁰ For the avoidance of doubt, the Company may, within one (1) year from the date of Shareholders' approval (i.e. from 15 May 2025 to 14 May 2026, both dates inclusive), enter into one or more guarantee agreements with the relevant bank(s), each of which will have a term of one (1) year from its date of execution. Accordingly, depending on the date(s) of execution, the contractual term of the relevant guarantee agreement(s) (if any) entered into pursuant to the TJZX Medicine 2025 Guarantee may remain in effect up to 13 May 2027 (for example, if a guarantee agreement is executed on 14 May 2026). Further, the guarantee liability period (i.e. the period during which the relevant bank(s) may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

³¹ The credit facilities of approximately RMB3,250 million proposed to be sought by Taiping Medicine are consistent with the credit facilities it has applied for in the past. Prior to the Capital Injection, TPH, as the sole shareholder of Taiping Medicine, had been providing guarantees for such credit facilities. Following the completion of the Capital Injection, and in view of the Company becoming a 43.35% shareholder of Taiping Medicine, the Company is now requested to provide guarantees for Taiping Medicine in proportion to its equity interest.

³² In FY2026, TJZX Medicine proposes to increase its aggregate credit facilities in order to maintain adequate financing flexibility, diversify its funding sources and meet its operational funding needs. The credit facilities of approximately RMB3,900 million proposed to be sought by TJZX Medicine are therefore higher than the credit facilities it had applied for in the past. Prior to the Capital Injection, TJZX Medicine was a wholly-owned subsidiary of the Company, and the Company had been providing guarantees annually for the credit facilities sought by TJZX Medicine from FY2022 to FY2024, including guarantees of up to RMB1,900 million in each of FY2023 and FY2024. In FY2025, TJZX Medicine applied for aggregate credit facilities of approximately RMB1,880 million. Such increase comprises the proposed additional credit facilities of RMB1,000 million from TPGF, as well as additional credit facilities proposed to be sought from six (6) new financial institutions, namely (i) China Construction Bank Corporation, (ii) Ping An Bank Co., Ltd., (iii) Huaxia Bank Co., Ltd., (iv) China Guangfa Bank Co., Ltd., (v) Bank of Shanghai Co., Ltd., and (vi) Zhesang Bank Co., Ltd..

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of Taiping Medicine to provide proportionate guarantees based on their respective shareholdings in Taiping Medicine to secure such credit facilities. To continue to support their respective working capital requirements, enhance capital utilisation efficiency, and reduce financing costs, TPH and the Company propose to provide proportionate guarantees for Taiping Medicine and TJZX Medicine based on their respective equity interests in both entities.

Specifically, the Company proposes to provide the following guarantees:

- (a) a guarantee of up to RMB1,408,875,000 in respect of credit facilities to be obtained by Taiping Medicine from third-party financial institutions, in proportion to the Company's equity interest in Taiping Medicine (i.e. the Proposed Taiping Medicine Guarantee);
- (b) a guarantee of up to RMB1,257,150,000 in respect of credit facilities to be obtained by TJZX Medicine from third-party financial institutions, in proportion to the Company's indirect equity interest in TJZX Medicine (through Taiping Medicine) (i.e. the Proposed TJZX Medicine Guarantee (Third-Party)); and
- (c) a guarantee of up to RMB433,500,000 in respect of credit facilities to be obtained by TJZX Medicine from TPGF, in proportion to the Company's indirect equity interest in TJZX Medicine (through Taiping Medicine) (i.e. the Proposed TJZX Medicine Guarantee (TPGF)).

For the avoidance of doubt, the Proposed Taiping Medicine Guarantee is not in addition to the Taiping Medicine 2025 Guarantee, but a continuation thereof. The Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) are also not in addition to the Company's Proportionate Guarantee and the TJZX Medicine 2025 Guarantee, but are continuations thereof. The total guarantee amounts of RMB3,250 million and RMB3,900 million to be sought by Taiping Medicine and TJZX Medicine, respectively, reflect the total anticipated guarantee needs of both entities for FY2026.

As at the Latest Practicable Date, TPH (the Controlling Shareholder of the Company as at the Latest Practicable Date) holds (i) 56.65% equity interest in Taiping Medicine, which in turn holds 100% of the equity interest in TJZX Medicine, and (ii) 50% equity interest in TPGF. Consequently, Taiping Medicine, TJZX Medicine and TPGF are each regarded as associates of TPH and are therefore considered "interested persons" for the purposes of Chapter 9 of the Listing Manual. As such, each of the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) constitutes an interested person transaction under Chapter 9 of the Listing Manual. Based on the Group's latest audited NTA of RMB7,013,306,000 as at 31 December 2025, the values of the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) represent approximately 20.09%, 17.93% and 6.18% of such NTA, respectively. As each of the Proposed Guarantees exceeds five per cent. (5%) of the Group's latest audited NTA, they are therefore subject to the approval of the Independent Shareholders pursuant to Rule 906(1) of the Listing Manual. Further details of the foregoing are set out in Section 4 of this Annexure.

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3.2 Information on Taiping Medicine and TJZX Medicine

3.2.1 Corporate Information

(a) Information on Taiping Medicine

Taiping Medicine, a limited liability company incorporated in the PRC on 29 September 1994, is one of the leading pharmaceutical logistics companies in Tianjin. It serves as the flagship enterprise in TPH's commercial and retail segments. Taiping Medicine operates across several sectors, including medical, commercial, retail and medical devices. Taiping Medicine has a broad business scope and is principally engaged in commercial distribution of Chinese proprietary medicines, chemical raw materials and their preparations, antibiotics, biological products, diagnostic medicines, anesthetics and medical devices. It offers more than 9,000 product categories. For full details of Taiping Medicine's business scope, please refer to the announcement dated 30 March 2026 released by the Company in relation to the Proposed Guarantees as interested person transactions.

As at the Latest Practicable Date:

- (i) Taiping Medicine has a registered capital of RMB1,000 million, with its shareholders being TPH and the Company, holding 56.65% and 43.35%, respectively;
- (ii) the board of directors of Taiping Medicine comprises Ms. Wang Lei (王磊) (chairman), Mr. Xue Chao (薛超), Mr. Xing Jianhua (辛建华), Mr. Huang Zhiyong (黄志勇), and Ms. Mao Weiwen (毛蔚雯); and
- (iii) the legal representative of Taiping Medicine is Mr. Xue Chao.

(b) Information on TJZX Medicine

TJZX Medicine, a limited liability company incorporated in the PRC on 24 August 2021, is principally engaged in the sale of pharmaceutical products, logistics and distribution, as well as the provision of pharmaceutical supply chain solutions. Its main products include Chinese proprietary medicines, Chinese herbal decoction pieces, chemical drug preparations, biological products, medical consumables, medical devices, and nutritional supplements. As at the Latest Practicable Date, TJZX Medicine operates through fourteen (14) branch offices and three (3) subsidiaries under a regional management structure. Its sales network covers medical institutions, private hospitals, clinics, and retail pharmacies across all sixteen (16) districts of Tianjin. For full details of TJZX Medicine's business scope, please refer to the announcement dated 30 March 2026 released by the Company in relation to the Proposed Guarantees as interested person transactions.

As at the Latest Practicable Date:

- (i) TJZX Medicine is a wholly-owned subsidiary of Taiping Medicine;
- (ii) TJZX Medicine has a registered capital of RMB520 million;
- (iii) the sole director of TJZX Medicine is Mr. Xiao Jiannan (肖健男); and
- (iv) the legal representative of TJZX Medicine is Mr. Xiao Jiannan.

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3.2.2 Key Financial Information

(a) Taiping Medicine

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

Items	As at 31 December 2023 ⁽¹⁾ (audited) (RMB'000)	As at 31 December 2024 ⁽¹⁾ (audited) (RMB'000)	As at 31 December 2025 ⁽¹⁾ (unaudited) (RMB'000)	As at 28 February 2026 ⁽¹⁾ (unaudited) (RMB'000)
Total assets	4,121,622.8	6,695,198.3	6,851,412.6	6,731,174.9
Total liabilities	3,624,997.4	5,707,641.7	5,867,606.9	5,744,608.4
Total current assets	3,990,922.3	6,486,776.9	6,633,848.9	6,515,271.6
Total current liabilities	3,603,731.0	5,526,641.9	5,562,803.0	5,438,542.0
Net assets	496,625.4	987,556.6	983,805.7	986,566.5
Items	January to December 2023 ⁽²⁾ (audited) (RMB'000)	January to December 2024 ⁽²⁾ (audited) (RMB'000)	January to December 2025 ⁽²⁾ (unaudited) (RMB'000)	January to February 2026 ⁽²⁾ (unaudited) (RMB'000)
Revenue	5,260,919.5	8,363,812.4	8,185,344.5	1,145,804.9
Net profit/ (loss)	25,090.4	(7,376.1)	2,617.4	3,594.8

Notes:

- (1) As the Capital Injection was completed on or around 25 December 2024, the figures as at 31 December 2023 did not include TJZX Medicine, while the figures as at 31 December 2024, 31 December 2025 and 28 February 2026 included TJZX Medicine.
- (2) As the Capital Injection was completed on or around 25 December 2024, the figures for FY2023 did not include TJZX Medicine, while the figures for FY2024 included TJZX Medicine from the date of completion of the Capital Injection, the figures for FY2025 included TJZX Medicine for the full year, and the figures for the period from January to February 2026 also included TJZX Medicine.

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(b) TJZX Medicine

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

Items	As at 31 December 2023 (audited) (RMB'000)	As at 31 December 2024 (audited) (RMB'000)	As at 31 December 2025 (unaudited) (RMB'000)	As at 28 February 2026 (unaudited) (RMB'000)
Total assets	2,744,358.6	2,396,521.1	2,220,420.9	2,149,919.5
Total liabilities	2,258,989.3	1,960,145.2	1,790,416.1	1,718,262.6
Total current assets	2,679,812.0	2,341,863.7	2,177,065.6	2,107,930.7
Total current liabilities	2,247,219.3	1,937,261.9	1,781,955.9	1,709,935.7
Net assets	485,369.3	436,375.9	430,004.8	431,656.9
Items	January to December 2023 (audited) (RMB'000)	January to December 2024 (audited) (RMB'000)	January to December 2025 (unaudited) (RMB'000)	January to February 2026 (unaudited) (RMB'000)
Revenue	3,724,300.8	3,063,674.8	2,671,250.5	332,213.7
Net profit/ (loss)	(33,369.6)	(38,779.7)	(1,224.3)	1,652.1

3.3 Principal Terms of the Proposed Guarantees

(a) The Proposed Taiping Medicine Guarantee

- Guarantee Type : The Proposed Taiping Medicine Guarantee will take the form of a joint and several liability guarantee (连带责任保证).³³
- Guarantee Term : The term of the guarantee agreements and the guarantee liability period under the Proposed Taiping Medicine Guarantee are as follows:
- within one (1) year from the date of approval by Shareholders at the 2026 AGM, the Company may enter into one or more guarantee agreements with the relevant financial institutions;

³³ Under the *PRC Civil Code* (《中华人民共和国民法典》), a “joint and several liability guarantee (连带责任保证)” entitles the creditor, upon the occurrence of the agreed triggering events or the debtor’s failure to perform its due obligations, to require the guarantor to perform its guaranteed obligations within the scope of the guarantee, without first pursuing the principal debtor. This note applies to the “Guarantee Type” disclosure for each of the Proposed Guarantees in this Annexure.

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- each such guarantee agreement will have a term of one (1) year from its date of execution;³⁴ and
- the guarantee liability period (i.e. the period during which the relevant financial institution(s) may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

Guarantee Amount : The total guarantee amount required for all credit facilities to be obtained by Taiping Medicine from third-party financial institutions is RMB3,250 million.³⁵ Based on their respective equity interests in Taiping Medicine, the proportionate guarantees to be provided by the Company and TPH are as follows:

- the Company: up to RMB1,408.875 million; and
- TPH: up to RMB1,841.125 million.

Please refer to Table 1 below for a detailed breakdown of the guarantee amounts allocated to the Company and TPH.

³⁴ For the avoidance of doubt, subject to obtaining the requisite Shareholders' approval at the 2026 AGM for the Proposed Taiping Medicine Guarantee, the Company may, within one (1) year from the date of such approval (i.e. from 15 May 2026 to 14 May 2027, both dates inclusive), enter into one or more guarantee agreements with the relevant financial institution(s), each of which will have a term of one (1) year from its date of execution. Accordingly, depending on the date(s) of execution, the contractual term of the relevant guarantee agreement(s) (if any) entered into pursuant to the Proposed Taiping Medicine Guarantee may remain in effect up to 13 May 2028 (for example, if a guarantee agreement is executed on 14 May 2027).

³⁵ Please refer to Section 3.2.2(a) of this Annexure for the key financial information of Taiping Medicine, and Section 3.4 of this Annexure for the details relating to Taiping Medicine's ability to meet its repayment obligations under the proposed credit facilities.

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- Guarantee Scope : The guarantee covers all amounts due or payable by Taiping Medicine under the principal credit facility agreements, including interest, compound interest, penalty interest, liquidated damages, compensation for losses, and all other costs and expenses incurred in enforcing or recovering payment from Taiping Medicine, subject to the applicable maximum guarantee amount set out in Table 1 below.
- Guarantee Form : The shareholders of Taiping Medicine shall provide proportionate guarantees based on their respective equity interests in Taiping Medicine. Specifically:
- the Company shall assume guarantee obligations in proportion to its 43.35% shareholding in Taiping Medicine; and
 - TPH shall assume guarantee obligations in proportion to its 56.65% shareholding in Taiping Medicine.

Table 1: Breakdown of the Guarantee Amounts Allocated to the Company and TPH for each Credit Facility to be obtained by Taiping Medicine from Third-Party Financial Institutions

No.	Name of Financial Institution	Total Guarantee Required (RMB million)	TPH's Maximum Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Maximum Guarantee Amount ⁽¹⁾ (RMB million)
1.	Agricultural Bank of China Limited (农业银行)	200	113.3	86.7
2.	China CITIC Bank Limited (中信银行)	200	113.3	86.7
3.	Ping An Bank Co., Ltd. (平安银行)	250	141.625	108.375
4.	Bank of Shanghai Co., Ltd. (上海银行)	300	169.95	130.05
5.	China Merchants Bank Co., Ltd. (招商银行)	400	226.6	173.4
6.	China Minsheng Banking Corp., Ltd. (民生银行)	400	226.6	173.4

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No.	Name of Financial Institution	Total Guarantee Required (RMB million)	TPH's Maximum Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Maximum Guarantee Amount ⁽¹⁾ (RMB million)
7.	Industrial Bank Co., Ltd. (兴业银行)	400	226.6	173.4
8.	Shanghai Pudong Development Bank Co., Ltd. (浦发银行)	400	226.6	173.4
9.	Bank of Communications Co., Ltd. (交通银行)	500	283.25	216.75
10.	Huaxia Bank Co., Ltd. (华夏银行)	200	113.3	86.7
Total		3,250	1,841.125	1,408.875

Note:

(1) For the avoidance of doubt, the “Maximum Guarantee Amount” set out in this Table 1 represents the maximum guarantee liability of each guarantor (i.e. TPH and/or the Company, as applicable), and such amount will be expressly stipulated in the relevant guarantee agreement(s) to be entered into between the Company and the relevant financial institution(s). Where, under certain template guarantee agreement(s), the guarantee scope may be expressed to extend beyond the outstanding principal to include all amounts due or payable, including interest, liquidated damages and other related costs and expenses, the Company will ensure that, upon execution of such guarantee agreement(s), its maximum liabilities thereunder will, in any event, not exceed its corresponding Maximum Guarantee Amount set out in this Table 1 and if necessary, will negotiate with the relevant financial institution(s) to amend the relevant provisions accordingly.

(b) The Proposed TJZX Medicine Guarantee (Third-Party)

Guarantee Type : The Proposed TJZX Medicine Guarantee (Third-Party) will take the form of a joint and several liability guarantee (连带责任保证).³⁶

Guarantee Term : The term of the guarantee agreements and the guarantee liability period under the Proposed TJZX Medicine Guarantee (Third-Party) are as follows:

- within one (1) year from the date of approval by Shareholders at the 2026 AGM, the Company may enter into one or more guarantee agreements with the relevant financial institutions;

³⁶ See footnote 33.

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- each such guarantee agreement will have a term of one (1) year from its date of execution;³⁷ and
- the guarantee liability period (i.e. the period during which the relevant financial institution(s) may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

Guarantee Amount : The total guarantee amount required for all credit facilities to be obtained by TJZX Medicine from third-party financial institutions is RMB2,900 million.³⁸ Based on their respective indirect equity interests in TJZX Medicine (through Taiping Medicine), the proportionate guarantees to be provided by the Company and TPH are as follows:

- the Company: up to RMB1,257.15 million; and
- TPH: up to RMB1,642.85 million.

Please refer to Table 2 below for a detailed breakdown of the guarantee amounts allocated to the Company and TPH.

³⁷ For the avoidance of doubt, subject to obtaining the requisite Shareholders' approval at the 2026 AGM for the Proposed TJZX Medicine Guarantee (Third-Party), the Company may, within one (1) year from the date of such approval (i.e. from 15 May 2026 to 14 May 2027, both dates inclusive), enter into one or more guarantee agreements with the relevant financial institution(s), each of which will have a term of one (1) year from its date of execution. Accordingly, depending on the date(s) of execution, the contractual term of the relevant guarantee agreement(s) (if any) entered into pursuant to the Proposed TJZX Medicine Guarantee (Third-Party) may remain in effect up to 13 May 2028 (for example, if a guarantee agreement is executed on 14 May 2027).

³⁸ Please refer to Section 3.2.2(b) of this Annexure for the key financial information of TJZX Medicine, and Section 3.4 of this Annexure for the details relating to TJZX Medicine's ability to meet its repayment obligations under the proposed credit facilities.

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- Guarantee Scope : The guarantee covers all amounts due or payable by TJZX Medicine under the principal credit facility agreements, including interest, compound interest, penalty interest, liquidated damages, compensation for losses, and all other costs and expenses incurred in enforcing or recovering payment from TJZX Medicine, subject to the applicable maximum guarantee amount set out in Table 2 below.
- Guarantee Form : The shareholders of Taiping Medicine, being the parent company of TJZX Medicine, shall provide proportionate guarantees based on their respective indirect equity interests in TJZX Medicine (through Taiping Medicine). Specifically:
- the Company shall assume guarantee obligations in proportion to its 43.35% shareholding in Taiping Medicine; and
 - TPH shall assume guarantee obligations in proportion to its 56.65% shareholding in Taiping Medicine.

Table 2: Breakdown of the Guarantee Amounts Allocated to the Company and TPH for each Credit Facility to be obtained by TJZX Medicine from Third-Party Financial Institutions

No.	Name of Financial Institution	Total Guarantee Required (RMB million)	TPH's Maximum Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Maximum Guarantee Amount ⁽¹⁾ (RMB million)
1.	China Construction Bank Corporation (建设银行)	100	56.65	43.35
2.	Agricultural Bank of China Limited (农业银行)	100	56.65	43.35
3.	China CITIC Bank Corporation Limited (中信银行)	100	56.65	43.35
4.	Ping An Bank Co., Ltd. (平安银行)	100	56.65	43.35
5.	Industrial Bank Co., Ltd. (兴业银行)	200	113.3	86.7

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No.	Name of Financial Institution	Total Guarantee Required (RMB million)	TPH's Maximum Guarantee Amount ⁽¹⁾ (RMB million)	The Company's Maximum Guarantee Amount ⁽¹⁾ (RMB million)
6.	Zheshang Bank Co., Ltd. (浙商银行)	200	113.3	86.7
7.	Huaxia Bank Co., Ltd. (华夏银行)	200	113.3	86.7
8.	Bank of Shanghai Co., Ltd. (上海银行)	200	113.3	86.7
9.	China Minsheng Banking Corp., Ltd. (民生银行)	250	141.625	108.375
10.	China Guangfa Bank Co., Ltd. (广发银行)	250	141.625	108.375
11.	China Merchants Bank Co., Ltd. (招商银行)	300	169.95	130.05
12.	Shanghai Pudong Development Bank Co., Ltd. (浦发银行)	400	226.6	173.4
13.	Bank of China Limited (中国银行)	500	283.25	216.75
Total		2,900	1,642.85	1,257.15

Note:

- (1) For the avoidance of doubt, the “**Maximum Guarantee Amount**” set out in this Table 2 represents the maximum guarantee liability of each guarantor (i.e. TPH and/or the Company, as applicable), and such amount will be expressly stipulated in the relevant guarantee agreement(s) to be entered into between the Company and the relevant financial institution(s). Where, under certain template guarantee agreement(s), the guarantee scope may be expressed to extend beyond the outstanding principal to include all amounts due or payable, including interest, liquidated damages and other related costs and expenses, the Company will ensure that, upon execution of such guarantee agreement(s), its maximum liabilities thereunder will, in any event, not exceed its corresponding Maximum Guarantee Amount set out in this Table 2 and if necessary, will negotiate with the relevant financial institution(s) to amend the relevant provisions accordingly.

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(c) The Proposed TJZX Medicine Guarantee (TPGF)

Guarantee Type : The Proposed TJZX Medicine Guarantee (TPGF) will take the form of a joint and several liability guarantee (连带责任保证).³⁹

Guarantee Term : The term of the guarantee agreements and the guarantee liability period under the Proposed TJZX Medicine Guarantee (TPGF) are as follows:

- within one (1) year from the date of approval by Shareholders at the 2026 AGM, the Company may enter into one or more guarantee agreements with TPGF;
- each such guarantee agreement will have a term of one (1) year from its date of execution;⁴⁰ and
- the guarantee liability period (i.e. the period during which TPGF may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

³⁹ See footnote 33.

⁴⁰ For the avoidance of doubt, subject to obtaining the requisite Shareholders' approval at the 2026 AGM for the Proposed TJZX Medicine Guarantee (TPGF), the Company may, within one (1) year from the date of such approval (i.e. from 15 May 2026 to 14 May 2027, both dates inclusive), enter into one or more guarantee agreements with TPGF, each of which will have a term of one (1) year from its date of execution. Accordingly, depending on the date(s) of execution, the contractual term of the relevant guarantee agreement(s) (if any) entered into pursuant to the Proposed TJZX Medicine Guarantee (TPGF) may remain in effect up to 13 May 2028 (for example, if a guarantee agreement is executed on 14 May 2027).

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- Guarantee Amount : The total guarantee amount required for all credit facilities to be obtained by TJZX Medicine from TPGF is RMB1,000 million.⁴¹ Based on their respective indirect equity interests in TJZX Medicine (through Taiping Medicine), the proportionate guarantees to be provided by the Company and TPH are as follows:
- the Company: up to RMB433.5 million; and
 - TPH: up to RMB566.5 million.
- Guarantee Scope : The guarantee covers all amounts due or payable by TJZX Medicine under the principal credit facility agreements, including interest, compound interest, penalty interest, liquidated damages, compensation for losses, and all other costs and expenses incurred in enforcing or recovering payment from TJZX Medicine, subject to the maximum guarantee amount.
- Guarantee Form : The shareholders of Taiping Medicine, being the parent company of TJZX Medicine, shall provide proportionate guarantees based on their respective indirect equity interests in TJZX Medicine (through Taiping Medicine). Specifically:
- the Company shall assume guarantee obligations in proportion to its 43.35% shareholding in Taiping Medicine; and
 - TPH shall assume guarantee obligations in proportion to its 56.65% shareholding in Taiping Medicine.

For the avoidance of doubt, the Company will proceed with each of the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) only after obtaining approval from the Independent Shareholders at the forthcoming 2026 AGM. As at the Latest Practicable Date, the Company has not entered into any agreements with the financial institutions (including TPGF) listed above in relation to the Proposed Guarantees.

Copies of the relevant draft template guarantee agreements proposed to be entered into between the Company and the relevant financial institutions (including TPGF) in respect of the Proposed Guarantees are available for inspection at the registered office of the

⁴¹ Please refer to Section 3.2.2(b) of this Annexure for the key financial information of TJZX Medicine, and Section 3.4 of this Annexure for the details relating to TJZX Medicine's ability to meet its repayment obligations under the proposed credit facilities.

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Company at 17 Baidi Road, Nankai District, Tianjin, the PRC 300193 during normal business hours from the date of this Annexure up to and including the date of the 2026 AGM. Shareholders should note that these are draft templates only and may be subject to changes following final negotiations between the Company and relevant financial institutions (including TPGF), save for the principal terms set out above. The Company will update Shareholders in the event of any material changes to the terms of the Proposed Guarantees, including, but not limited to, the principal terms set out above.

3.4 Rationale for, and Benefits of, the Proposed Guarantees

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

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

In view of the scale and stability of their operations, as well as the steady revenue streams generated from pharmaceutical distribution, the Company believes that both Taiping Medicine and TJZX Medicine are financially well-positioned to support their operations and meet their financing obligations under the Proposed Guarantees, for the following reasons:

- (a) Taiping Medicine maintained stable operational performance, with several key operating indicators improving year-on-year. As at 31 December 2025, Taiping Medicine had a current ratio of approximately 1.19 and a quick ratio of approximately 1.04, indicating sound liquidity and relatively low financial risk. In terms of cash flow, net cash generated from operating activities for 2025 amounted to approximately RMB361,822,930. The aforementioned financial figures of Taiping Medicine include those of TJZX Medicine. Given the capital-intensive nature of the pharmaceutical wholesale and retail industry, occasional short-term liquidity pressure may arise. Nevertheless, Taiping Medicine has maintained steady cash inflows from product sales, which are sufficient to meet its debt repayment obligations as they fall due.
- (b) TJZX Medicine similarly demonstrated a healthy financial profile. Based on the key financial information set out in Section 3.2.2(b) of this Annexure, its current ratios for the past three (3) years were approximately 1.193, 1.209 and 1.222, respectively. This steady improvement reflects an enhancement in TJZX Medicine's short-term debt repayment capacity, with current assets consistently exceeding current liabilities, thereby indicating improved liquidity. In terms of cash flow, TJZX Medicine recorded cash receipts of approximately RMB2,983,601,006.73 from the sale of goods and provision of services in 2025, and net cash generated from operating activities amounted to approximately RMB202,275,900 in the same year. For 2026, TJZX Medicine expects revenue from its public healthcare segment and community

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healthcare segment to increase by approximately 9.94% and 6.81%, respectively, which is expected to provide a solid financial foundation for the repayment of both short-term and long-term borrowings. Being in the same capital-intensive pharmaceutical wholesale and retail industry as Taiping Medicine, TJZX Medicine also faces occasional short-term liquidity pressure, which is not uncommon in the sector. Nonetheless, the steady inflow of funds from product sales continues to serve as a reliable source of repayment for amounts due under the relevant credit facilities as they fall due.

Accordingly, based on historical financial performance and projected revenue growth, the Company is of the view that, as at the Latest Practicable Date, both Taiping Medicine and TJZX Medicine have the financial capability to meet their respective repayment obligations under the proposed credit facilities.

Considering that the Proposed Guarantees will be provided by TPH and the Company in proportion to their respective equity interests in Taiping Medicine and TJZX Medicine, and that the Company's total liabilities under the Proposed Guarantees will be capped at RMB3,099,525,000, the Directors (excluding the Interested Directors) are of the view that the Proposed Guarantees are commercially beneficial to the Company and the Group, and in the interests of the Company and its Shareholders.

3.5 Total Amount of External Guarantees and Amount of Overdue Guarantees

As at the Latest Practicable Date, the total outstanding amount of external guarantees provided by the Company and its controlled subsidiaries (as defined under the PRC Laws) amounts to approximately RMB444,742,711.26, comprising guarantees provided by the Company for TJZX Medicine under the TJZX Medicine 2025 Guarantee and for Taiping Medicine under the Taiping Medicine 2025 Guarantee, representing approximately 6.26% of the Company's latest audited net assets attributable to equity holders of the Company, which was approximately RMB7,099,499,000 as at 31 December 2025.

The aggregate guarantee amount of up to RMB3,099,525,000 pursuant to the Proposed Guarantees accounts for approximately 43.66% of the Company's latest audited net assets attributable to equity holders of the Company, which was approximately RMB7,099,499,000 as at 31 December 2025.

As at the Latest Practicable Date, the Company has no overdue external guarantees.

3.6 Review Procedures in relation to the Proposed Guarantees

The Proposed Guarantees will also be subject to the Company's guidelines and review procedures adopted for interested person transactions generally (where applicable), as set out in Section 2.6.3 of this Annexure, including, without limitation, the following: (i) quarterly review by the Audit Committee, (ii) quarterly internal audit reviews and annual/special audits, (iii) external auditors' review as part of the Group's annual audit, and (iv) disclosure in accordance with Rule 907 of the Listing Manual.

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4. INTERESTED PERSON TRANSACTIONS

4.1 Requirements under Chapter 9 of the Listing Manual with respect to Interested Person Transactions

4.1.1 General Requirements

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies, which is considered to be an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual, enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies, to enter into transactions with them that may adversely affect the interests of the listed company or its shareholders.

When Chapter 9 of the Listing Manual applies to a transaction where the value of that transaction alone or in aggregation with other transactions conducted with the same interested person during the same financial year is equivalent to or exceeds certain financial thresholds, the listed company is required to make an immediate announcement and may additionally be required to seek shareholders’ approval for that transaction.

4.1.2 Financial Thresholds, Disclosure Requirements and Shareholders’ Approval

An immediate announcement and/or shareholders’ approval would be required in respect of the transactions with interested persons if the value of such transaction is equal to or exceeds certain financial thresholds.

In particular, pursuant to Rule 905 of the Listing Manual, an immediate announcement is required where:

- (a) the value of a proposed transaction is equal to or exceeds three per cent. (3%) of the listed group’s latest audited NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than three per cent. (3%) of the listed group’s latest audited NTA. In this instance, an announcement will have to be made immediately in respect of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Pursuant to Rule 906 of the Listing Manual, shareholders’ approval (in addition to an immediate announcement) is required where:

- (a) the value of a proposed transaction is equal to or exceeds five per cent. (5%) of the listed group’s latest audited NTA; or
- (b) the value of such transaction with interested persons when aggregated with the values of other transactions previously entered into with the same interested person during the same financial year, is equal to or exceeds five per cent. (5%) of the listed group’s latest audited NTA, provided that such aggregation need not include any transaction that has been approved by shareholders previously or is the subject of aggregation with another transaction that has been previously approved by shareholders.

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Pursuant to Rule 918 of the Listing Manual, if a transaction requires shareholders' approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

In interpreting the term "**same interested person**" for the purpose of aggregation under Rules 905 and 906 of the Listing Manual, the following applies:

- (a) Transactions between (i) an entity at risk and a primary interested person;⁴² and (ii) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (i) an entity at risk and a primary interested person; and (ii) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

- (b) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards on which a majority of the directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different.

Pursuant to Rule 909 of the Listing Manual, the value of a transaction is the amount at risk to the issuer. This is illustrated by the following examples:

- (a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the issuer's effective interest in that transaction;
- (b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk;
- (c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (d) in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

⁴² For the purpose of Chapter 9 the Listing Manual, a "**primary interested person**" means a director, chief executive officer or controlling shareholder of the listed company.

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4.1.3 Excluded Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S\$100,000 is not considered material and is not taken into account for the purposes of this Annexure. However, it should be noted that while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one (1) transaction having regard to the objective of Chapter 9 of the Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

4.2 Entity at Risk and Interested Persons

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

As at the Latest Practicable Date:

- (a) TPH holds approximately 43.008% of the issued share capital of the Company and is therefore considered a Controlling Shareholder. As a result, TPH and its associates are regarded as “interested persons” for the purposes of Chapter 9 of the Listing Manual.
- (b) TPH holds 50% equity interest in TPGF. Accordingly, TPGF is regarded as an associate of TPH and is therefore considered an “interested person” under Chapter 9 of the Listing Manual.
- (c) TPH holds 56.65% equity interest in Taiping Medicine, which in turn holds 100% of the equity interest in TJZX Medicine. Consequently, both Taiping Medicine and TJZX Medicine are regarded as associates of TPH and are therefore considered “interested persons” under Chapter 9 of the Listing Manual, notwithstanding that the Company also holds 43.35% equity interest in Taiping Medicine.

As such, each of the Proposed TPGF IPT, the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party), and the Proposed TJZX Medicine Guarantee (TPGF) constitutes an interested person transaction under Chapter 9 of the Listing Manual.

4.3 Shareholders’ Approval for the Proposed IPTs

Based on the latest audited consolidated financial statements of the Group for FY2025, the Group’s latest audited NTA as at 31 December 2025 is approximately RMB7,013,306,000.

(a) The Proposed TPGF IPT

Given that the value of a transaction is the amount at risk to the issuer and in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing, and in the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan. Consequently, the total amount at risk to the Company in respect of the Proposed TPGF IPT for the Term is RMB1,695 million, representing approximately 24.17% of the Group’s latest audited NTA. This amount comprises:

- (i) RMB15 million, being the maximum service fees payable by the Company for the Term;

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- (ii) RMB180 million, being the estimated maximum interest payable on the credit facilities granted to the Company for the Term; and
 - (iii) RMB1,500 million, being the maximum daily balance in the Company's deposit account with TPGF (including accrued interest).
- (b) The Proposed Guarantees

The total amount at risk to the Company in respect of the Proposed Guarantees is RMB3,099,525,000 (being the Company's maximum liability under the Proposed Guarantees), representing approximately 44.19% of the Group's latest audited NTA. This amount comprises:

- (i) RMB1,408,875,000 (being the Proposed Taiping Medicine Guarantee), representing approximately 20.09% of the Group's latest audited NTA;
- (ii) RMB1,257,150,000 (being the Proposed TJZX Medicine Guarantee (Third-Party)), representing approximately 17.93% of the Group's latest audited NTA; and
- (iii) RMB433,500,000 (being the Proposed TJZX Medicine Guarantee (TPGF)), representing approximately 6.18% of the Group's latest audited NTA.

As the value of each of the Proposed TPGF IPT, the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party), and the Proposed TJZX Medicine Guarantee (TPGF) exceeds five per cent. (5%) of the Group's latest audited NTA, they are subject to the approval of the Independent Shareholders pursuant to Rule 906 of the Listing Manual.

4.4 Current and On-going Interested Person Transactions

(a) Other Interested Person Transactions with TPGF

Save for:

- (i) the transactions made pursuant to the Agreement 2023, which was approved by the Independent Shareholders at the 2023 AGM; and
- (ii) the Proposed TPGF IPT and the Proposed TJZX Medicine Guarantee (TPGF), each of which is pending approval by the Independent Shareholders at the forthcoming 2026 AGM,

there are no other interested person transactions (excluding transactions below S\$100,000) that were entered into or are proposed to be entered into by the Company with TPGF for the current financial year beginning 1 January 2026 up to the Latest Practicable Date.

In respect of the transactions made pursuant to the Agreement 2023, for the current financial year beginning 1 January 2026 up to the Latest Practicable Date, no credit facilities granted by TPGF have been drawn down by the Company and, accordingly, no interest is payable, while the service fees payable in respect of the financial services provided to the Company were waived by TPGF. As at the Latest Practicable Date,

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deposits of approximately RMB1,291.87 million (including accrued interest of approximately RMB4.375 million) have been placed by the Company with TPGF, which is within the approved limit of RMB1,500 million under the Agreement 2023. For the avoidance of doubt, such deposits represent a fluctuating account balance which may be withdrawn and/or deposited as and when necessary, and therefore are not included in the total value of all interested person transactions for the current financial year beginning 1 January 2026 up to the Latest Practicable Date, as disclosed in Section 4.4(f) of this Annexure below. This approach is consistent with the Company's past periodic reporting practice.

(b) Other Interested Person Transactions with Taiping Medicine

Save for:

- (i) the Taiping Medicine 2025 Guarantee,⁴³ which was approved by the Independent Shareholders at the 2025 AGM;
- (ii) a three (3)-year lease agreement entered into between Taiping Medicine and the Company, which was approved by the Board at the 4th Board meeting for FY2025 held on 20 June 2025; and
- (iii) the Proposed Taiping Medicine Guarantee, which is pending approval by the Independent Shareholders at the forthcoming 2026 AGM,

there are no other interested person transactions (excluding transactions below S\$100,000) that were entered into or are proposed to be entered into by the Company with Taiping Medicine for the current financial year beginning 1 January 2026 up to the Latest Practicable Date.

(c) Other Interested Person Transactions with TJZX Medicine

Save for:

- (i) the Company's Proportionate Guarantee,⁴⁴ which was approved by the Independent Shareholders at the 2024 1st EGM;

⁴³ As defined in the Definitions section of this Annexure, "**Taping Medicine 2025 Guarantee**" means the provision by the Company, in proportion to its equity interest in Taiping Medicine, of a guarantee of up to RMB1,647.3 million for Taiping Medicine. For further details of the Taiping Medicine 2025 Guarantee, please refer to the annexure dated 30 April 2025 accompanying the notice of the 2025 AGM in relation to, *inter alia*, the Taiping Medicine 2025 Guarantee, and the Company's announcement dated 15 May 2025 in relation to the poll results of the 2025 AGM.

⁴⁴ As defined in the Definitions section of this Annexure, "**Company's Proportionate Guarantee**" means the provision of a proportionate liability equal to 43.35% of the Subsisting Guarantee by the Company for TJZX Medicine (i.e. up to RMB823,650,000) in proportion to the Company's equity interest in Taiping Medicine upon completion of the Capital Injection pursuant to the capital injection agreement in relation thereto, which was approved by the Independent Shareholders at the 2024 1st EGM. For further details of the Capital Injection and the Company's Proportionate Guarantee, please refer to the 14 October 2024 Circular and the Company's announcement dated 29 October 2024 in relation to the poll results of the 2024 1st EGM.

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- (ii) the TJZX Medicine 2025 Guarantee,⁴⁵ which was approved by the Independent Shareholders at the 2025 AGM; and
- (iii) the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF), each of which is pending approval by the Independent Shareholders at the forthcoming 2026 AGM,

there are no other interested person transactions (excluding transactions below S\$100,000) that were entered into or are proposed to be entered into by the Company with TJZX Medicine for the current financial year beginning 1 January 2026 up to the Latest Practicable Date.

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

Save for the transactions as described in Sections 4.4(a), 4.4(b) and 4.4(c) of this Annexure above, there are no other interested person transactions (excluding transactions below S\$100,000) that were entered into or are proposed to be entered into by, on the one hand, the Company, its subsidiaries and/or associated companies, which are considered an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual and, on the other hand, TPH and/or its associates for the current financial year beginning 1 January 2026 up to the Latest Practicable Date.

(e) Interested Person Transactions conducted under the IPT Mandate

There have been no interested person transactions (excluding transactions less than S\$100,000) made pursuant to the existing IPT Mandate for the current financial year beginning 1 January 2026 up to the Latest Practicable Date.

(f) All Interested Person Transactions for the Current Financial Year up to the Latest Practicable Date

Accordingly, the current total value of all interested person transactions (excluding interested person transactions less than S\$100,000 and the Proposed IPTs in respect of which the approval of the Independent Shareholders is being sought at the forthcoming 2026 AGM) entered into by, on the one hand, the Company, its subsidiaries and/or associated companies, which are considered an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual and, on the other hand, TPH and/or its associates for the current financial year beginning 1 January 2026 up to the Latest Practicable Date is approximately RMB444,742,711.26, representing approximately 6.34% of the Group’s latest audited NTA of RMB7,013,306,000 as at 31 December 2025. Such current total value is made of the following:

- (i) RMB255,250,729.43, being the outstanding guarantee amount provided by the Company for TJZX Medicine under the TJZX Medicine 2025 Guarantee, which was approved by the Independent Shareholders at the 2025 AGM; and

⁴⁵ As defined in the Definitions section of this Annexure, “**TJZX Medicine 2025 Guarantee**” means the provision by the Company, in proportion to its indirect equity interest in TJZX Medicine (through Taiping Medicine), of a guarantee of up to RMB815 million for TJZX Medicine. For further details of the TJZX Medicine 2025 Guarantee, please refer to the annexure dated 30 April 2025 accompanying the notice of the 2025 AGM in relation to, *inter alia*, the TJZX Medicine 2025 Guarantee, and the Company’s announcement dated 15 May 2025 in relation to the poll results of the 2025 AGM.

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- (ii) RMB189,491,981.83, being the outstanding guarantee amount provided by the Company for Taiping Medicine under the Taiping Medicine 2025 Guarantee, which was approved by the Independent Shareholders at the 2025 AGM.

4.5 All Related Party Transactions in the Past Twelve (12) Months

In accordance with the PRC Laws (including the SSE Listing Rules), save for:

- (a) the transactions entered into by the Company with TPH, its subsidiaries and/or associated companies relating to the acceptance of labour services, provision of labour services, lease of properties, lease of housing equipment, and purchase of assets, with an aggregate value of approximately RMB21,287,474.56, representing approximately 0.30% of the Company's latest audited net assets attributable to equity holders of the Company;
- (b) the outstanding guarantee amount of RMB255,250,729.43 provided by the Company for TJZX Medicine under the TJZX Medicine 2025 Guarantee, representing approximately 3.60% of the Company's latest audited net assets attributable to equity holders of the Company;
- (c) the outstanding guarantee amount of RMB189,491,981.83 provided by the Company for Taiping Medicine under the Taiping Medicine 2025 Guarantee, representing approximately 2.67% of the Company's latest audited net assets attributable to equity holders of the Company; and
- (d) the Company's entry into a three (3)-year lease agreement with Taiping Medicine, with a total rent of RMB14,785,800 (inclusive of tax) payable by Taiping Medicine, representing approximately 0.21% of the Company's latest audited net assets attributable to equity holders of the Company,

there are no other related party transactions (excluding transaction(s) which has been approved by Shareholders) in the past twelve (12) months immediately preceding the Latest Practical Date.

4.6 IFA's Opinion

Pursuant to Rule 921(4)(a) of the Listing Manual, RHB Bank Berhad has been appointed as the IFA to opine on whether each of the Proposed IPTs is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. A copy of the IFA Letter is set out in **Schedule 1** of this Annexure. Shareholders are advised to read the IFA Letter carefully and in its entirety.

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The following is an extract from paragraphs 5.1 and 5.2 of the IFA Letter and should be read in conjunction with, and interpreted in the full context of, the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated. **Shareholders are advised to carefully read and consider the key considerations relied upon by the IFA in arriving at its opinion.**

“5.1. OUR OPINION ON THE PROPOSED TPGF IPT

In arriving at our opinion in respect of the Proposed TPGF IPT as interested person transaction, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) the rationale for, and benefits of, the Proposed TPGF IPT;
- (b) pricing policies and basis;
- (c) comparison with selected past similar interested person transactions;
- (d) review procedures and safeguards; and
- (e) other relevant considerations stated in paragraph 4.1.5 of this Letter

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed TPGF IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

5.2. OUR OPINION ON THE PROPOSED GUARANTEES

In arriving at our opinion in respect of the Proposed Guarantees as interested person transactions, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) the rationale for, and benefits of, the Proposed Guarantees;
- (b) the proportionate amount of the Proposed Guarantees;
- (c) other salient terms of the Proposed Guarantees;
- (d) the provision of previous guarantees for Taiping Medicine and TJZX Medicine;
- (e) key financial information of Taiping Medicine and TJZX Medicine;
- (f) in comparison with the Selected Reference Transactions (Guarantees);
 - (i) *the corporate guarantees for interested persons by the companies listed on the SGX-ST as tabulated in Appendix 2 were provided in proportion to the guarantor’s respective equity interest held in the recipient entities; and*

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(ii) *for illustrative purposes only, the Proposed Guarantees as a percentage of the Group's NTA of 44.20% is below the maximum of 56.53% of the Selected Reference Transactions (Guarantees), and the Company's total amount of corporate guarantees as a percentage of the Group's NTA of 50.54% is below the mean and median of 57.61% and 52.80% respectively, including the Company's guarantees announced on 11 September 2024 and 28 March 2025 and below the mean and median of 66.73% and 63.76% respectively, excluding the Company's guarantees announced on 11 September 2024 and 28 March 2025; and*

(g) *other relevant considerations stated in paragraph 4.2.7 of this Letter.*

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, each of the Proposed Guarantees is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

Based on the factors and opinions set out in paragraphs 5.1 and 5.2 above, we therefore advise you to recommend that Independent Shareholders vote in favour of the Proposed IPTs to be proposed at the 2026 AGM."

4.7 Audit Committee's Statement

As at the Latest Practicable Date, the Audit Committee comprises Mr. Liew Yoke Pheng Joseph, Mr. Yeo Guat Kwang, and Mr. Zhong Ming, all of whom are considered independent for the purposes of the Proposed IPTs.

Having considered, amongst others, the terms of, rationale for, and benefits of, each of the Proposed IPTs, as well as the opinion of the IFA as set out in the IFA Letter in **Schedule 1** of this Annexure, the Audit Committee concurs with the IFA's opinion and is of the view that each of the Proposed IPTs is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Audit Committee's opinion on each of the Proposed IPTs does not differ from that of the IFA.

4.8 Abstention from Voting

Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any of its associates must not vote on a resolution in which such person is interested, nor accept appointments as proxies, unless specific voting instructions are given.

Accordingly, TPH will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolutions in respect of the Proposed IPTs at the 2026 AGM. In addition, TPH shall, and has undertaken to ensure that its associates shall, not accept appointment as proxies or otherwise participate in voting on the aforesaid resolutions at the 2026 AGM unless specific instructions have been given in the proxy instrument on how the relevant Shareholders wish their votes to be cast.

The Company will disregard any votes cast on the resolutions in respect of the Proposed IPTs by TPH and its associates.

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5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Directors' and Substantial Shareholders' Interests in Shares

The details of the Directors' and Substantial Shareholders' interests 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	–	–	331,202,728	43.008
Zhou Hong	23,800 ⁽²⁾	0.003	–	–
Shang Mingjie	–	–	–	–
Mao Weiwen	–	–	–	–
Xing Jianhua	–	–	–	–
Yeo Guat Kwang	–	–	–	–
Liew Yoke Pheng Joseph	–	–	–	–
Zhong Ming	–	–	–	–
Substantial Shareholders (other than Substantial Shareholders who are Directors)				
TPH	325,855,528	42.314	5,347,200 ⁽³⁾	0.694

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 5,347,200 Shares in the capital of the Company held by its wholly-owned subsidiary, Jinyao Global Pte. Ltd. (formerly known as Tianjin Pharmaceutical (Singapore) International Investment Pte. Ltd.).

5.2 Directors' and Substantial Shareholders' Interests in the Proposed IPTs

As at the Latest Practicable Date:

- (a) TPH is the Controlling Shareholder of the Company, holding approximately 43.008% of the issued share capital of the Company;
- (b) Mr. Guo Min, an Executive Director of the Company, is also a director of TPH;
- (c) Ms. Wang Lei, the Chairman and an Executive Director of the Company, is also the legal representative and a member of the senior management of TPH, and a director of Taiping Medicine;
- (d) Mr. Xing Jianhua, a Non-Executive and Non-Independent Director of the Company, is also a member of the senior management of TPH, a director and the legal representative of TPGF, and a director of Taiping Medicine; and

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- (e) Ms. Mao Weiwen, a Non-Executive and Non-Independent Director of the Company, is also a member of the senior management of TPH and a director of Taiping Medicine.

Abstention from Making Recommendation

Accordingly, the Interested Directors (i.e. Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen) abstained from voting on the board resolutions in respect of the Proposed IPTs and will also abstain from making any recommendation to the Independent Shareholders on the Proposed IPTs.

Abstention from Voting

TPH will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolutions relating to the Proposed IPTs at the 2026 AGM. In addition, TPH will not, and has undertaken to ensure that its associates will not, accept appointment as proxies or otherwise participate in voting on the aforesaid resolutions at the 2026 AGM, unless specific instructions have been given in the proxy instrument on how the relevant Shareholders wish their votes to be cast. The Company will disregard any votes cast on the resolutions in respect of the Proposed IPTs by TPH and its associates.

6. DIRECTORS' RECOMMENDATIONS

6.1 The Proposed TPGF IPT

The Non-Interested Directors (comprising Mr. Zhou Hong, Mr. Shang Mingjie, Mr. Yeo Guat Kwang, Mr. Liew Yoke Pheng Joseph, and Mr. Zhong Ming), having considered, amongst others, the terms of, rationale for, and benefits of, the Proposed TPGF IPT, the opinion of the IFA as set out in the IFA Letter in **Schedule 1** of this Annexure, and the Audit Committee's statement as set out in Section 4.7 of this Annexure, are of the opinion that the Proposed TPGF IPT is in the interests of the Company and its Shareholders as a whole. Therefore, the Non-Interested Directors recommend that the Independent Shareholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed TPGF IPT, as set out in the Notice of AGM.

6.2 The Proposed Taiping Medicine Guarantee

The Non-Interested Directors, having considered, amongst others, the terms of, rationale for, and benefit of, the Proposed Taiping Medicine Guarantee, the opinion of the IFA as set out in the IFA Letter in **Schedule 1** of this Annexure, and the Audit Committee's statement as set out in Section 4.7 of this Annexure, are of the opinion that the Proposed Taiping Medicine Guarantee is in the interests of the Company and its Shareholders as a whole. Therefore, the Non-Interested Directors recommend that the Independent Shareholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed Taiping Medicine Guarantee, as set out in the Notice of AGM.

6.3 The Proposed TJZX Medicine Guarantee (Third-Party)

The Non-Interested Directors, having considered, amongst others, the terms of, rationale for, and benefit of, the Proposed TJZX Medicine Guarantee (Third-Party), the opinion of the IFA as set out in the IFA Letter in **Schedule 1** of this Annexure, and the Audit Committee's statement as set out in Section 4.7 of this Annexure, are of the opinion that the Proposed TJZX Medicine Guarantee (Third-Party) is in the interests of the Company and its

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Shareholders as a whole. Therefore, the Non-Interested Directors recommend that the Independent Shareholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed TJZX Medicine Guarantee (Third-Party), as set out in the Notice of AGM.

6.4 The Proposed TJZX Medicine Guarantee (TPGF)

The Non-Interested Directors, having considered, amongst others, the terms of, rationale for, and benefit of, the Proposed TJZX Medicine Guarantee (TPGF), the opinion of the IFA as set out in the IFA Letter in **Schedule 1** of this Annexure, and the Audit Committee's statement as set out in Section 4.7 of this Annexure, are of the opinion that the Proposed TJZX Medicine Guarantee (TPGF) is in the interests of the Company and its Shareholders as a whole. Therefore, the Non-Interested Directors recommend that the Independent Shareholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed TJZX Medicine Guarantee (TPGF), as set out in the Notice of AGM.

In making the above recommendations, the Directors have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions, or particular needs or constraints of any individual Shareholder or specific group of Shareholders. As different Shareholders have varying investment profiles and objectives, the Directors recommend that any Shareholder requiring specific advice regarding his or her investment portfolio should consult a stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser(s) immediately.

7. ANNUAL GENERAL MEETING

The 2026 AGM, notice of which has been, or will be, made available to Shareholders on the same date as this Annexure via SGXNet and on the Company's website at www.jydr.com.cn, will be held at the meeting room of the Company's Modern Traditional Chinese Medicine Industrial Park located at No. 21 Tenth Avenue, Binhai New Area, Tianjin, the PRC (中国天津市滨海新区第十大街21号津药达仁堂集团现代中药产业园会议室) (concurrently, via video conferencing at Meeting Room 2&3, 126 Beach Road, Guoco Midtown Network Hub Level 2, Singapore 189772 for S-Share Shareholders in Singapore) on Friday, 15 May 2026 at 1:30 p.m. for the purpose of considering and, if thought fit, passing the resolutions (with or without modifications) as set out in the Notice of AGM, including the resolutions relating to the Proposed IPTs.

S-Share Shareholders may participate in the 2026 AGM via the video conferencing at Meeting Room 2&3, 126 Beach Road, Guoco Midtown Network Hub Level 2, Singapore 189772 for S-Share Shareholders in Singapore by:

- (a) attending the 2026 AGM in person;
- (b) submitting substantial and relevant questions relating to the resolutions to be tabled for approval at the 2026 AGM, in advance of, or at, the 2026 AGM; and/or
- (c) voting at the 2026 AGM (i) themselves, or (ii) through their duly appointed proxy(ies).

Details of the submission of questions and voting at the 2026 AGM by Shareholders (including S-Share Shareholders) are set out in the Notice of AGM.

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8. ACTION TO BE TAKEN BY S-SHARE SHAREHOLDERS

S-Share Shareholders who wish to vote but are unable to attend the 2026 AGM and instead wish to appoint proxy(ies) to attend and vote at the 2026 AGM 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, ensure that it is received (i) by 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 #14-07, Singapore 098632, or (ii) by email at srs.proxy@boardroomlimited.com, no later than **1:30 p.m. on Wednesday, 13 May 2026**.

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 2026 AGM should they subsequently decide to do so. In such an event, the appointment of the proxy(ies) for the 2026 AGM will be deemed to be revoked upon the S-Share Shareholder's attendance at the 2026 AGM in person, and the Company reserves the right to refuse to admit any person(s) appointed under the Proxy Form to the 2026 AGM.

A S-Share Shareholder who intends to attend the 2026 AGM must be registered in the Register of Members or, if 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 2026 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Annexure (save in respect of the IFA Letter as set out in **Schedule 1** of this Annexure) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Annexure constitutes full and true disclosure of all material facts about the Proposed IPTs and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Annexure misleading.

Where information in this Annexure has been extracted from published or otherwise publicly available sources or obtained from a named source (including information extracted from the IFA Letter as set out in **Schedule 1** of this Annexure), 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 Annexure in its proper form and context.

10. CONSENT

The IFA, RHB Bank Berhad, has given and has not before the date of this Annexure withdrawn its written consent to the issue of this Annexure with the inclusion of its name, the IFA Letter (as set out in **Schedule 1** of this Annexure) and all references thereto, in the form and context in which they appear in this Annexure.

LETTER TO SHAREHOLDERS

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 17 Baidi Road, Nankai District, Tianjin, the PRC 300193, during normal business hours from the date of this Annexure up to and including the date of the 2026 AGM:

- (a) the Agreement 2026;
- (b) the relevant draft template guarantee agreements as mentioned in Section 3.3 of this Annexure;
- (c) the Articles of Association of the Company;
- (d) the annual report of the Company for FY2025;
- (e) the IFA Letter; and
- (f) the letter of consent referred to in Section 10 of this Annexure.

Yours faithfully

For and on behalf of the Board of Directors of
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

Wang Lei
Chairman of the Board

SCHEDULE 1 – IFA LETTER



**LETTER FROM RHB BANK BERHAD TO THE
NON-INTERESTED DIRECTORS OF
TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED**

30 April 2026

The Non-Interested Directors of
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited
17 Baidi Road, Nankai District
Tianjin
The People's Republic of China

Dear Sirs,

- (1) **THE PROPOSED TPGF IPT (AS DEFINED IN PARAGRAPH 1.1 BELOW); AND**
- (2) **THE PROPOSED GUARANTEES COMPRISING (I) PROPOSED TAIPING MEDICINE GUARANTEE; (II) PROPOSED TJZX MEDICINE GUARANTEE (THIRD-PARTY); AND (III) PROPOSED TJZX MEDICINE GUARANTEE (TPGF) (EACH AS DEFINED IN PARAGRAPH 1.2 BELOW)**

Unless otherwise defined or the context requires otherwise, all terms used herein have the same meanings as defined in the annexure to the notice of the 2026 AGM dated 30 April 2026 (the “Annexure”).

1. INTRODUCTION

1.1 PROPOSED TPGF IPT

The Company first entered into a financial services agreement with TPGF in 2016, pursuant to which TPGF provided the Company with certain financial services, including settlement and intermediary services, deposit services and credit business services (such as providing loans to the Company). Save for the first financial services agreement, which was entered into on 30 December 2016 for a term of six (6) months, the financial services arrangements between the Company and TPGF have thereafter been renewed on a triennial basis, with each renewal superseding the preceding agreement. Specifically, the financial services agreements were renewed on 1 July 2017, 1 July 2020 and 1 July 2023, each for a term of three (3) years.

As the most recent financial services agreement between the Company and TPGF on 1 July 2023 will expire on 30 June 2026 (“**Agreement 2023**”), the Company announced on 30 March 2026 (“**Proposed TPGF IPT Announcement**”) that, subject to, among others, Independent Shareholders’ approval being obtained at the annual general meeting to be convened on 15 May 2026 (“**2026 AGM**”), the Company proposes to enter into a new financial services agreement with TPGF (“**Agreement 2026**”), based on substantially the same terms as those set out in the Agreement 2023, save for the revisions to the pricing policies and the basis thereof, as further described in paragraph 5.7 of the Proposed TPGF IPT Announcement, for a period of three (3) years from 1 July 2026 to 30 June 2029 (“**Proposed TPGF IPT**”).

RHB BANK Berhad (UEN S99FC5710J)
(6171-M Incorporated in Malaysia)
T 1800 323 0100 www.rhbgroup.com.sg

TOGETHER WE PROGRESS

SCHEDULE 1 – IFA LETTER



As at the Latest Practicable Date, (i) TPH is the Controlling Shareholder holding approximately 43.008% of the issued share capital of the Company; and (ii) TPH holds 50% equity interest in TPGF. Accordingly, TPGF is regarded as an associate of TPH, and TPH and TPGF are each considered an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual. As such, the Proposed TPGF IPT constitutes an interested person transaction under Chapter 9 of the Listing Manual.

Pursuant to Rule 909 of the Listing Manual, the value of a transaction is the amount at risk to the issuer and in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Consequently, the total maximum amount at risk to the Company in respect of the Proposed TPGF IPT is estimated to amount to RMB1,695 million¹, representing approximately 24.17% of the Group’s latest audited NTA of approximately RMB7,013.3 million as at 31 December 2025.

1.2 PROPOSED GUARANTEES

In addition, the Company also announced on 30 March 2026 that subject to, among others, Independent Shareholders’ approval being obtained at the 2026 AGM, the Company and TPH propose to provide proportionate guarantees for Taiping Medicine and TJZX Medicine in connection with the credit facilities to be obtained, corresponding to the Company’s and TPH’s respective shareholdings in both entities. As at the Latest Practicable Date, the Company holds a 43.35% equity interest in Taiping Medicine, which in turn, wholly-owns TJZX Medicine. The remaining 56.65% equity interest in Taiping Medicine is held by TPH. In FY2026, Taiping Medicine and TJZX Medicine intend to apply for aggregate credit facilities of RMB3,250 million and RMB3,900 million from financial institutions (including banks and TPGF), respectively. Accordingly, the Company proposes to provide guarantees of (i) up to RMB1,408,875,000 in respect of credit facilities to be obtained by Taiping Medicine from third-party financial institutions, in proportion to the Company’s equity interest in Taiping Medicine (“**Proposed Taiping Medicine Guarantee**”); (ii) up to RMB1,257,150,000 in respect of credit facilities to be obtained by TJZX Medicine from third-party financial institutions, in proportion to the Company’s indirect equity interest in TJZX Medicine (through Taiping Medicine) (“**Proposed TJZX Medicine Guarantee (Third-Party)**”); and (iii) up to RMB433,500,000 in respect of credit facilities to be obtained by TJZX Medicine from TPGF, in proportion to the Company’s indirect equity interest in TJZX Medicine (through Taiping Medicine) (“**Proposed TJZX Medicine Guarantee (TPGF)**”, and together with the Proposed Taiping Medicine Guarantee and the Proposed TJZX Medicine Guarantee (Third-Party), the “**Proposed Guarantees**”).

As at the Latest Practicable Date, TPH (the Controlling Shareholder of the Company as at the Latest Practicable Date) holds (i) 56.65% equity interest in Taiping Medicine, which in turn holds 100% of the equity interest in TJZX Medicine; and (ii) 50% equity interest in TPGF. Accordingly, Taiping

¹ RMB1,695 million represents the aggregate of:

- (i) RMB15 million, being the maximum service fees payable by the Company for three (3) years from 1 July 2026 to 30 June 2029 (the “**Term**”);
- (ii) RMB180 million, being the estimated maximum interest payable on the credit facilities granted to the Company for the Term; and
- (iii) RMB1,500 million, being the maximum daily balance in the Company’s deposit account with TPGF (including accrued interest).

SCHEDULE 1 – IFA LETTER



Medicine, TJZX Medicine and TPGF are each regarded as associates of TPH under the Listing Manual, and are therefore considered “interested persons” for the purposes of Chapter 9 of the Listing Manual. As such, each of the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) constitutes an interested person transaction under Chapter 9 of the Listing Manual.

Based on the Group’s latest audited NTA of approximately RMB7,013.3 million as at 31 December 2025, the values of the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) represent approximately 20.09%, 17.93% and 6.18% of such NTA, respectively.

As the value of each of the Proposed TPGF IPT, the Proposed Taiping Medicine Guarantee, the Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) (collectively, the “**Proposed IPTs**”) exceeds five per cent. (5%) of the Group’s latest audited NTA, the Proposed IPTs are subject to the approval of the Independent Shareholders pursuant to Rule 906 of the Listing Manual.

In connection with the above and pursuant to the requirements of Chapter 9 of the Listing Manual, RHB Bank Berhad (“**RHB**”) was appointed by the Company as the independent financial adviser (“**IFA**”) in accordance with Rule 921(4) of the Listing Manual and to advise the Directors who are deemed to be independent in respect of the Proposed IPTs (“**Non-Interested Directors**”), namely, Mr. Zhou Hong, Mr. Shang Mingjie, Mr. Yeo Guat Kwang, Mr. Liew Yoke Pheng Joseph and Mr. Zhong Ming, whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its Independent Shareholders.

This letter (“**Letter**”) sets out, *inter alia*, our evaluation of the Proposed IPTs as interested person transactions, and our advice to the Non-Interested Directors in relation to their recommendations to the Independent Shareholders on the Proposed IPTs and forms part of the Annexure providing, *inter alia*, details of the Proposed IPTs and the recommendations of the Non-Interested Directors in respect thereof.

2. TERMS OF REFERENCE

RHB has been appointed in accordance with Rule 921(4)(a) of the Listing Manual as well as to advise the Non-Interested Directors only in respect of whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

RHB is neither a party to the negotiations or discussions in relation to the Proposed IPTs nor were we involved in the deliberations leading up to the decision on the part of the Company to enter into the Proposed IPTs. We do not, by this Letter, in any way advise on the merits of the Proposed IPTs other than to form an opinion on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its Independent Shareholders.

Our terms of reference do not require us to evaluate or comment on the strategic, commercial, financial merits or risks (if any) of the Proposed IPTs or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we do not express any opinion on any of the aforesaid.

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We are not required to and have not made any independent appraisal or valuation of the assets and liabilities of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies. Any such evaluation, comment, comparison, consideration, appraisal or valuation remains and is solely the responsibility of the Directors and the management of the Company (“**Management**”), but we may draw upon their views or make comments in respect thereof (to the extent we deem necessary or appropriate and at our sole discretion) in arriving at our opinion as set out in this Letter. We have also relied on information on the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine, and/or the disclosures and representations made by the Company on the values of the assets and liabilities of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies stated herein (if any).

For the purpose of our advice and opinion, we have relied on publicly available information collated by us, information set out in the Annexure, and information (including representations, opinions, facts and statements) provided to us by the Directors, Management and the advisers of the Company. We have relied on the assurances of the Directors and Management that they jointly and severally accept full responsibility for the accuracy, truth, completeness and adequacy of such information. They have confirmed to us that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed IPTs, the Company and the Group have been disclosed to us, that such information is true, complete, accurate and fair in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to or relied upon by us or the facts of or in relation to the Proposed IPTs, the Company and the Group to be inaccurate, untrue, incomplete, unfair or misleading in any material respect.

We have not independently verified any of the aforesaid information whether written or verbal, and have assumed its accuracy, truth, completeness and adequacy, including without limitation any information on the assets and liabilities of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies. Accordingly, we cannot and do not represent or warrant (expressly or impliedly), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and the Management to us or in the Annexure have been reasonably made after due and careful inquiry. We have exercised care in reviewing the information which we have relied on, and made such reasonable enquiries and exercised our judgment on the reasonableness of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial conditions of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies, or to express, and we do not express, any view on the future growth prospects, value and earnings potential of the Company, the Group, TPH, TPGF, Taiping Medicine and/or TJZX Medicine. Such review or comment, if any, remains the responsibility of the Directors and the Management and/or the Group, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Company, the Group, TPH,

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TPGF, Taiping Medicine and/or TJZX Medicine any projection of the future performance including financial performance of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies and further, we did not conduct discussions with the Directors and management of the Company and/or the Group on, and did not have access to, any business plan and financial projections of the Company, the Group, TPH, TPGF, Taiping Medicine, TJZX Medicine and/or their respective subsidiaries and/or associated companies. We also do not express any opinion herein as to the prices at which the shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed IPTs.

Our advice and opinion herein are based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein.

The Company has been separately advised by its advisers in the preparation of the Annexure (other than this Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Annexure (other than this Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Annexure (other than this Letter).

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we would advise the Non-Interested Directors to recommend that any individual 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 advisers.

This Letter is required under pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use and benefit of the Non-Interested Directors and the recommendations made by them to the Independent Shareholders are the responsibility of the Non-Interested Directors. Shareholders should also take note of any announcements relevant to the Proposed IPTs which may be released by the Company after the Latest Practicable Date.

3. THE PROPOSED IPTS

3.1 INFORMATION ON TPGF, TPH, TPH GROUP, TAIPING MEDICINE AND TJZX MEDICINE

Information on TPGF, TPH, TPH group is set out in Section 2.1 of the Annexure, while information on Taiping Medicine and TJZX Medicine can be found in Section 3.2 of the Annexure. Shareholders are advised to read Section 2.1 and Section 3.2 of the Annexure carefully.

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3.1.1 TPGF

Incorporated on 14 September 2016, TPGF is a non-bank financial institution approved by NFRA, Tianjin Office, to provide financial services within its approved business scope to the member entities of the TPH group (including the Company).

As at the Latest Practicable Date, TPGF has a registered capital of RMB1,000 million and the shareholdings in TPGF are in the following proportions:

No.	Name of Shareholders	Equity Contribution (RMB)	Shareholding Proportion
1.	TPH	500 million	50%
2.	The Company	300 million	30%
3.	Tianjin Yaoye Group Co., Ltd. (天津药业集团有限公司)	150 million	15%
4.	Tianjin Jin Yi Investment Guarantee Co., Ltd. (天津金 益投资担保有限责任公司)	50 million	5%
Total		1,000 million	100%

The key financial information of TPGF is set out below:

Items	As at 31 December 2025 (audited) (RMB'000)	As at 28 February 2026 (unaudited) (RMB'000)
Total assets	4,615,520.8	4,339,077.1
Total liabilities	3,471,842.6	3,167,269.9
Net assets	1,143,678.2	1,171,807.2
Items	January to December 2025 (audited) (RMB'000)	January to February 2026 (unaudited) (RMB'000)
Revenue	65,751.6	8,478.6 ⁽¹⁾
Profit before tax	29,474.6	37,003.0 ⁽¹⁾
Net profit/(loss)	24,191.1	28,128.9 ⁽¹⁾

Note:

(1) For the avoidance of doubt, the profit before tax and net profit for the period from January to February 2026 were higher than the revenue for the same period mainly due to a reversal of expected credit loss provisions of approximately RMB31.73 million recorded by TPGF. Such reversal arose from a decrease of approximately RMB1,058 million in the loan balance as at 31 January 2026, as compared to 31 December 2025, and was recognised in profit or loss but did not constitute revenue.

3.1.2 TPH and TPH group

TPH, a limited liability company incorporated in the PRC on 27 June 1996, is a large pharmaceutical group with a comprehensive pharmaceutical industry chain in the PRC. It has been ranked among the top 100 pharmaceutical companies in the country for several consecutive years.

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The TPH group comprises listed companies such as the Company and Tianjin Tianyao Pharmaceutical Co., Ltd. (天津天药业股份有限公司), as well as non-listed companies, of which, 83 legal person entities and 62 branches within the TPH group have made use of the financial services provided by TPGF within its approved business scope of TPGF as at the Latest Practicable Date.

As at the Latest Practicable Date, TPH is the Controlling Shareholder of the Company holding approximately 43.008% of the issued share capital of the Company.

3.1.3 Taiping Medicine and TJZX Medicine

(a) Taiping Medicine

Taiping Medicine, a limited liability company incorporated in the PRC on 29 September 1994, is one of the leading pharmaceutical logistics companies in Tianjin. It serves as the flagship enterprise in TPH's commercial and retail segments. As at the Latest Practicable Date, Taiping Medicine has a registered capital of RMB1,000 million, with its shareholders being TPH and the Company, holding 56.65% and 43.35%, respectively.

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

Items	As at 31 December 2023 ⁽¹⁾ (audited) (RMB'000)	As at 31 December 2024 ⁽¹⁾ (audited) (RMB'000)	As at 31 December 2025 ⁽¹⁾ (unaudited) (RMB'000)	As at 28 February 2026 ⁽¹⁾ (unaudited) (RMB'000)
Total assets	4,121,622.8	6,695,198.3	6,851,412.6	6,731,174.9
Total liabilities	3,624,997.4	5,707,641.7	5,867,606.9	5,744,608.4
Total current assets	3,990,922.3	6,486,776.9	6,633,848.9	6,515,271.6
Total current liabilities	3,603,731.0	5,526,641.9	5,562,803.0	5,438,542.0
Net assets	496,625.4	987,556.6	983,805.7	986,566.5
Items	January to December 2023 ⁽²⁾ (audited) (RMB'000)	January to December 2024 ⁽²⁾ (audited) (RMB'000)	January to December 2025 ⁽²⁾ (unaudited) (RMB'000)	January to February 2026 ⁽²⁾ (unaudited) (RMB'000)
Revenue	5,260,919.5	8,363,812.4	8,185,344.5	1,145,804.9
Net profit/(loss)	25,090.4	(7,376.1)	2,617.4	3,594.8

Notes:

- (1) As the Capital Injection was completed on or around 25 December 2024, the figures as at 31 December 2023 did not include TJZX Medicine, while the figures as at 31 December 2024, 31 December 2025 and 28 February 2026 included TJZX Medicine.

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(2) As the Capital Injection was completed on or around 25 December 2024, the figures for FY2023 did not include TJZX Medicine, while the figures for FY2024 included TJZX Medicine from the date of completion of the Capital Injection, the figures for FY2025 included TJZX Medicine for the full year, and the figures for the period from January to February 2026 also included TJZX Medicine.

(b) TJZX Medicine

TJZX Medicine, a limited liability company incorporated in the PRC on 24 August 2021, is principally engaged in the sale of pharmaceutical products, logistics and distribution, as well as the provision of pharmaceutical supply chain solutions. As at the Latest Practicable Date, TJZX Medicine is a wholly-owned subsidiary of Taiping Medicine and has a registered capital of RMB520 million.

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

Items	As at 31 December 2023 (audited) (RMB'000)	As at 31 December 2024 (audited) (RMB'000)	As at 31 December 2025 (unaudited) (RMB'000)	As at 28 February 2026 (unaudited) (RMB'000)
Total assets	2,744,358.6	2,396,521.1	2,220,420.9	2,149,919.5
Total liabilities	2,258,989.3	1,960,145.2	1,790,416.1	1,718,262.6
Total current assets	2,679,812.0	2,341,863.7	2,177,065.6	2,107,930.7
Total current liabilities	2,247,219.3	1,937,261.9	1,781,955.9	1,709,935.7
Net assets	485,369.3	436,375.9	430,004.8	431,656.9
Items	January to December 2023 (audited) (RMB'000)	January to December 2024 (audited) (RMB'000)	January to December 2025 (unaudited) (RMB'000)	January to February 2026 (unaudited) (RMB'000)
Revenue	3,724,300.8	3,063,674.8	2,671,250.5	332,213.7
Net profit/(loss)	(33,369.6)	(38,779.7)	(1,224.3)	1,652.1

3.2 PROPOSED TPGF IPT

3.2.1 Financial Services to the Company under the Agreement 2026

We note from Section 2.5.3 of the Annexure that TPGF shall, within the Business Scope as approved by the NFRA, provide the following Financial Services to the Company under the Agreement 2026: (i) settlement and intermediary services; (ii) deposit services; and (iii) credit business services. Details relating to the total amount of the Financial Services to be provided under the Agreement 2026 and the main terms of the Agreement 2026 are set out in Section 2.4 and Section 2.5 of the

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Annexure respectively. Shareholders are advised to read Section 2.4 and Section 2.5 of the Annexure carefully.

Specifically, information relating to the pricing of the Financial Services is extracted from Section 2.5.4 of the Annexure and set out below in italics for your reference.

“2.5.4 Pricing Policies and Basis

- (a) In relation to the settlement and intermediary services (including fund settlement, bill acceptance and agency services) to be provided by TPGF to the Company, the pricing shall be determined with reference to prevailing market levels at the time such services are provided. TPGF shall offer the Company preferential fee rates, which shall not be higher than those offered by the six (6) major state-owned commercial banks in the PRC.*
- (b) In relation to the deposit services to be provided by TPGF to the Company, the deposit interest rates shall be determined in compliance with the relevant requirements of the PBOC and the National Market Interest Rate Pricing Self-Disciplinary Mechanism (全国市场利率定价自律机制),²³ and shall not be lower than the interest rates offered by the six (6) major state-owned commercial banks in the PRC for deposits of the same type and tenor prevailing at the time the Company places such deposits.*
- (c) In relation to the credit business services (including loans and bill discounting) to be provided by TPGF to the Company, the pricing shall be determined in accordance with the pricing methodologies prescribed by the PBOC, with reference to prevailing market interest rates at the time the Company intends to draw down funds under the credit facilities granted to the Company by TPGF. TPGF shall offer the Company preferential credit interest rates and fee rates, which shall not be higher than those obtainable by the Company from the six (6) major state-owned commercial banks in the PRC for credit facilities of the same type and tenor prevailing at the time the Company draws down funds.*
- (d) For the purpose of the above comparison, references to the interest rates and fee rates offered by the six (6) major state-owned commercial banks in the PRC mean the generally applicable commercial interest rates and fee rates offered by such banks for products and services of the same type (and, where applicable, the same tenor/tier), and exclude any special interest rates or fee rates, such as policy loan interest rates or rates benefiting from government interest subsidies. This is because such special interest rates or fee rates are not generally available and may depend*

²³ The National Market Interest Rate Pricing Self-Regulation Mechanism (全国市场利率定价自律机制), established on 24 September 2013, is a market-based self-regulatory and coordination mechanism comprising financial institutions in the PRC. Subject to applicable PRC interest rate regulations, it facilitates self-discipline and coordination in relation to market interest rate pricing (including, amongst others, money market and credit market rates) set by financial institutions, with a view to promoting orderly market practices and fair competition.

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on specific policy support, subsidy arrangements and/or eligibility criteria. As such, they do not provide a consistent or readily comparable benchmark for pricing comparison purposes. Notwithstanding the foregoing, where any of the six (6) major state-owned commercial banks is able to offer the Company more favourable special interest rates and/or fee rates, TPGF will go through the necessary internal approval procedures to adjust its prevailing interest rates and/or fee rates accordingly, so that the pricing offered to the Company remains no less favourable than that available from such banks. For the avoidance of doubt, the Audit Committee is entitled to reject the quotations provided by TPGF and engage other financial institutions to provide financial services to the Company, where it considers such engagement to be in the best interests of the Company and its minority Shareholders.”

3.2.2 Review Procedures and Safeguards in relation to the Proposed TPGF IPT

We have reviewed the review procedures and safeguards in relation to the Proposed TPGF IPT as set out in Section 2.6 of the Annexure. Shareholders are advised to read the entire Section 2.6 of the Annexure carefully.

3.2.3 Rationale for, and Benefits of, the Proposed TPGF IPT

We have reviewed the rationale for the Proposed TPGF IPT as set out in Section 2.3 of the Annexure and reproduced in italics below for your reference.

“2.3 Rationale for, and Benefits of, the Proposed TPGF IPT

As stated in Section 2.1.1 of this Annexure, TPGF is a non-bank financial institution approved by the NFRA, Tianjin Office, and was established to provide, within its approved business scope, financial services to the member entities of the TPH group (including the Company). TPGF will set up cash pooling arrangements with banks to provide financing channels and lower the cost of financing for the member entities of the TPH group (including the Company). This will optimise the utilisation of surplus funds of the member entities of the TPH group (including the Company).

As a financial institution, TPGF operates in strict compliance with the applicable regulatory requirements of the NFRA and conducts its financial business in a prudent manner. Accordingly, TPGF strictly implements the regulatory requirements and indicators prescribed by the NFRA for the industry, controls its capital adequacy ratio and level of liabilities, maintains good liquidity, and seeks to meet the funding needs of all member entities of the TPH Group. In addition, in accordance with the requirements of Article 14 of the Administrative Measures on Finance Companies of Enterprise Groups (Order of the China Banking and Insurance Regulatory Commission No. 6 of 2022) (《企业集团财务公司管理办法》(中国银行保险监督管理委员会令2022年第6号)), issued by the NFRA on 13 October 2022 and taking effect from 13 November 2022, Article 18(6) of the articles of association of TPGF clearly provides that “Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), as the parent company of TPGF, undertakes to inject additional

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capital, where necessary, to address any payment difficulties faced by TPGF in emergency situations ” . This provides an additional layer of support to TPGF in emergency situations.

In addition, TPGF will ensure that the Company has access to funding through the following measures:

- (a) monitoring the Company’s short-term funding requirements on an ongoing and timely basis and reserving sufficient funds through fund budget management;
- (b) analysing the capital characteristics of each member entity of the TPH group (including the Company) and reserving sufficient funds, after making appropriate safety provisions, to meet their respective funding needs;
- (c) maintaining a certain level of liquid assets that can be readily realised, such as time deposits that may be withdrawn on demand and bank acceptance bills that may be rediscounted, to meet any funding requirements in a timely manner;
- (d) placing statutory and excess deposit reserves with the PBOC, which may be utilised to address liquidity needs when required;
- (e) complying with the liquidity requirements prescribed by the PRC regulatory authorities, including maintaining a minimum liquidity ratio and statutory deposit reserve ratio;¹⁴ and
- (f) obtaining short-term liquidity through inter-bank borrowings, subject to the applicable regulatory limits.¹⁵

If, notwithstanding the foregoing measures, TPGF were to face liquidity constraints, TPH shall, pursuant to the Administrative Measures on Finance Companies of Enterprise Groups (《企业集团财务公司管理办法》) and the articles of association of TPGF, provide financial support to meet such liquidity needs.

By obtaining loans from TPGF, the Group is able to secure stable financing support at competitive financing costs. The pricing policies and the basis thereof for the Financial Services to be provided by TPGF under the Agreement 2026 are clearly set out in the Agreement 2026 (as described in Section 2.5.4 of this Annexure) and have been reviewed and approved by the Audit Committee. The actual transactions arising therefrom (if any) will be carried out by the personnel of the Company’s finance department in accordance with such pricing policies and basis, and subject to the review procedures set out in Section 2.6 of this Annexure. In this regard, since the signing of the Agreement 2023, the terms under which the Company has obtained loans from TPGF have not been higher than those

¹⁴ For example, as at the Latest Practicable Date, the NFRA stipulates that, for a finance company, the liquidity ratio shall not be less than twenty-five per cent. (25%) and the statutory deposit reserve ratio shall not be less than five per cent. (5%).

¹⁵ As at the Latest Practicable Date, TPGF is permitted to obtain short-term liquidity through inter-bank borrowing of up to RMB1,000 million, with a borrowing tenor of seven (7) days.

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offered by other financial institutions in the PRC during the corresponding period. As at the Latest Practicable Date, the Group did not have any outstanding loans from TPGF.

The deposit services provided by TPGF enhance the Company's fund management efficiency and utilisation of available funds, as:

- (a) TPGF provides secure and efficient online banking services, enabling the Company to monitor its account balances and fund movements in a timely manner;*
- (b) payments and settlements may be conducted efficiently through TPGF's internal transfer mechanisms, facilitating convenient fund transfers between the Company and its branches; and*
- (c) TPGF is able to provide timely¹⁶ credit support to the Company, thereby reducing the need for the Company to maintain excessive cash reserves.*

The settlement and intermediary services¹⁷ provided by TPGF also facilitate more efficient and convenient settlement arrangements between the Company and other member entities of the TPH group, and contribute to improving the Company's capital turnover efficiency.

Accordingly, the Company considers that the Proposed TPGF IPT will enable the Company to broaden its financing channels, reduce financing costs, ensure adequate working capital and enhance overall capital utilisation efficiency."

3.3 PROPOSED GUARANTEES

3.3.1 Background to the Proposed Guarantees

The Company had provided a guarantee to TJZX Medicine in FY2024 for amounts of up to RMB1,900.0 million ("**Subsisting Guarantee**") when TJZX Medicine was a wholly-owned subsidiary of the Company. On 10 September 2024, the Board considered and approved, amongst others, the proposed capital injection of RMB493,617,700 into Taiping Medicine by the Company through the transfer of the 100% equity interest in TJZX Medicine to Taiping Medicine ("**Capital Injection**"). Following the completion of the Capital Injection, which was completed on or around 25 December 2024, TJZX Medicine became a wholly-owned subsidiary of Taiping Medicine, which, in turn, was

¹⁶ TPGF, as a non-bank financial institution established to provide financial services to the member entities of the TPH group, is more familiar with the businesses and operations of the member entities of the TPH group than other financial institutions in the market. In addition, TPGF's review and approval processes are faster and more convenient, enabling it to provide funding support more promptly.

¹⁷ "**settlement and intermediary services**" include, but not limited to, bills of exchange, collection with acceptance, entrusted collection, remittance services, receipt and payment settlement services, and agency collection and payment services. The transactions to be conducted between the Company and TPGF will be within the scope of the Agreement 2026, and the Company will be able to dispose of its bank deposits with TPGF at the Company's discretion, without being subject to the control of TPGF. TPGF, as a non-bank financial institution, shall carry out its settlement business in accordance with the deposit and/or withdrawal needs of the Company. When a member entity of the TPH group has a funding need, such member entity may determine for itself whether to obtain such funding, and TPGF will satisfy such funding need accordingly.

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jointly held by TPH and the Company with 56.65% and 43.35% equity interests, respectively. Accordingly, the Company assumed a proportionate liability equal to 43.35% of the Subsisting Guarantee, or equivalent to approximately RMB823.65 million, in proportion to its equity interest in Taiping Medicine upon completion of the Capital Injection (“**Company’s Proportionate Guarantee**”).

At the 2025 AGM, the Independent Shareholders of the Company approved (a) the provision of a guarantee of up to RMB1,647.3 million by the Company for Taiping Medicine in proportion to the Company’s equity interest in Taiping Medicine (“**Taiping Medicine 2025 Guarantee**”); and (b) the provision of a guarantee of up to RMB815 million by the Company for TJZX Medicine in proportion to the Company’s indirect equity interest in TJZX Medicine (through Taiping Medicine) (“**TJZX Medicine 2025 Guarantee**”).

In FY2026, Taiping Medicine and TJZX Medicine intend to apply for aggregate credit facilities of RMB3,250 million and RMB3,900 million from financial institutions (including banks and TPGF), respectively. Accordingly, both Taiping Medicine and TJZX Medicine have requested the shareholders of Taiping Medicine to provide proportionate guarantees based on their respective shareholdings in Taiping Medicine to secure such credit facilities.

To continue to support their respective working capital requirements, enhance capital utilisation efficiency, and reduce financing costs, TPH and the Company propose to provide proportionate guarantees for Taiping Medicine and TJZX Medicine based on their respective equity interests in both entities, subject to the approval of the Independent Shareholders at the coming 2026 AGM.

Specifically, the Company proposes to provide (a) a guarantee of up to RMB1,408,875,000 in respect of credit facilities to be obtained by Taiping Medicine from third-party financial institutions (i.e. the Proposed Taiping Medicine Guarantee); (b) a guarantee of up to RMB1,257,150,000 in respect of credit facilities to be obtained by TJZX Medicine from third-party financial institutions (i.e. the Proposed TJZX Medicine Guarantee (Third-Party)); and (c) a guarantee of up to RMB433,500,000 in respect of credit facilities to be obtained by TJZX Medicine from TPGF (i.e. the Proposed TJZX Medicine Guarantee (TPGF)), based on the Company’s 43.35% direct equity interest in Taiping Medicine and 43.35% indirect equity interest in TJZX Medicine (through Taiping Medicine) as at the Latest Practicable Date.

3.3.2 Principal Terms of the Proposed Guarantees

The principal terms of the Proposed Guarantees can be found in Section 3.3 of the Annexure. Shareholders are advised to read Section 3.3 of the Annexure carefully.

Specifically, we note that if the Proposed Guarantees are approved at the 2026 AGM, the Company may enter into one or more guarantee agreements with the relevant financial institution(s) within one (1) year from the date of Shareholders’ approval (i.e. from 15 May 2026 to 14 May 2027, both dates inclusive). Each such guarantee agreement will have a term of one (1) year from its date of execution and the Company’s guarantee liability period thereunder (i.e. the period during which the relevant financial institution(s) may enforce the guarantee against the Company) under such guarantee agreement(s) (if any) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of the relevant debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee

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liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt.

3.3.3 Rationale for, and Benefits of, the Proposed Guarantees

We have reviewed the rationale for, and benefits of, the Proposed Guarantees as set out in Section 3.4 of the Annexure and reproduced in italics below for your reference.

“3.4 Rationale for, and Benefits of, the Proposed Guarantees

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

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

In view of the scale and stability of their operations, as well as the steady revenue streams generated from pharmaceutical distribution, the Company believes that both Taiping Medicine and TJZX Medicine are financially well-positioned to support their operations and meet their financing obligations under the Proposed Guarantees, for the following reasons:

- (a) Taiping Medicine maintained stable operational performance, with several key operating indicators improving year-on-year. As at 31 December 2025, Taiping Medicine had a current ratio of approximately 1.19 and a quick ratio of approximately 1.04, indicating sound liquidity and relatively low financial risk. In terms of cash flow, net cash generated from operating activities for 2025 amounted to approximately RMB361,822,930. The aforementioned financial figures of Taiping Medicine include those of TJZX Medicine. Given the capital-intensive nature of the pharmaceutical wholesale and retail industry, occasional short-term liquidity pressure may arise. Nevertheless, Taiping Medicine has maintained steady cash inflows from product sales, which are sufficient to meet its debt repayment obligations as they fall due.*
- (b) TJZX Medicine similarly demonstrated a healthy financial profile. Based on the key financial information set out in Section 3.2.2(b) of this Annexure, its current ratios for the past three (3) years were approximately 1.193, 1.209 and 1.222, respectively. This steady improvement reflects an enhancement in TJZX Medicine’s short-term*

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debt repayment capacity, with current assets consistently exceeding current liabilities, thereby indicating improved liquidity. In terms of cash flow, TJZX Medicine recorded cash receipts of approximately RMB2,983,601,006.73 from the sale of goods and provision of services in 2025, and net cash generated from operating activities amounted to approximately RMB202,275,900 in the same year. For 2026, TJZX Medicine expects revenue from its public healthcare segment and community healthcare segment to increase by approximately 9.94% and 6.81%, respectively, which is expected to provide a solid financial foundation for the repayment of both short-term and long-term borrowings. Being in the same capital-intensive pharmaceutical wholesale and retail industry as Taiping Medicine, TJZX Medicine also faces occasional short-term liquidity pressure, which is not uncommon in the sector. Nonetheless, the steady inflow of funds from product sales continues to serve as a reliable source of repayment for amounts due under the relevant credit facilities as they fall due.

Accordingly, based on historical financial performance and projected revenue growth, the Company is of the view that, as at the Latest Practicable Date, both Taiping Medicine and TJZX Medicine have the financial capability to meet their respective repayment obligations under the proposed credit facilities.

Considering that the Proposed Guarantees will be provided by TPH and the Company in proportion to their respective equity interests in Taiping Medicine and TJZX Medicine, and that the Company's total liabilities under the Proposed Guarantees will be capped at RMB3,099,525,000, the Directors (excluding the Interested Directors) are of the view that the Proposed Guarantees are commercially beneficial to the Company and the Group, and in the interests of the Company and its Shareholders."

The details of the Proposed Guarantees are set out in Section 3 of the Annexure. Shareholders are advised to read Section 3 of the Annexure carefully.

4. EVALUATION OF THE PROPOSED IPTS

4.1 PROPOSED TPGF IPT

In our evaluation of the Proposed TPGF IPT as interested person transaction, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

- (a) the rationale for, and benefits of, the Proposed TPGF IPT;
- (b) pricing policies and basis;
- (c) comparison with selected past similar interested person transactions;
- (d) review procedures and safeguards; and
- (e) other relevant considerations.

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4.1.1 Rationale for, and benefits of, the Proposed TPGF IPT

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed TPGF IPT or the future prospects of the Group in view of the Proposed TPGF IPT. Nevertheless, we have reviewed the rationale for, and benefits of, the Proposed TPGF IPT as set out in Section 2.3 of the Annexure, of which the full text has been reproduced in italics in paragraph 3.2.3 of this Letter above. Shareholders are advised to read the information carefully.

4.1.2 Pricing policies and basis

We note that TPGF shall provide services to the Company at the interest rates or fee rates determined in the manner as set out in Section 2.5.4 of the Annexure, of which the full text has been reproduced in italics in paragraph 3.2.1 of this Letter above.

Further, a key difference between the Agreement 2026 and the Agreement 2023 in relation to the pricing policies and basis highlighted in Section 2.5.7 of the Annexure is tabulated below:

Type of Service	Agreement 2023	Agreement 2026
Settlement and intermediary services	Pricing was determined with reference to prevailing market levels, and the fee rates charged by TPGF were required to be not higher than those offered by other domestic financial institutions in the PRC for comparable services.	Pricing shall be determined with reference to prevailing market levels, and the fee rates offered by TPGF shall not be higher than those offered by the six (6) major state-owned commercial banks in the PRC for comparable services.
Deposit services	Deposit interest rates were determined with reference to the interest rates published by the PBOC and were required to be not lower than those offered by other domestic financial institutions in the PRC for deposits of the same type and tenor.	Deposit interest rates shall be determined in compliance with the relevant requirements of the PBOC and the National Market Interest Rate Pricing Self-Disciplinary Mechanism , and shall not be lower than the interest rates offered by the six (6) major state-owned commercial banks in the PRC for deposits of the same type and tenor.
Credit business services	Pricing was determined with reference to the loan prime rate (“LPR”) published by the National Inter-bank Funding Centre (as authorised by the PBOC) , and the credit interest rates and fee rates offered by TPGF were required to be not higher than those obtainable by the Company from other domestic financial institutions in the PRC for credit facilities of the same type and tenor.	Pricing shall be determined in accordance with the pricing methodologies prescribed by the PBOC with reference to prevailing market interest rate levels , and the credit interest rates and fee rates offered by TPGF shall not be higher than those obtainable by the Company from the six (6) major state-owned commercial banks in the PRC for credit facilities of the same type and tenor.

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Rationale for the abovementioned difference is elaborated in Section 2.5.7 of the Annexure and reproduced below in italics for your reference:-

“These revisions were made in light of the fact that interest rate pricing has become increasingly market-oriented in recent years, and the benchmark interest rate regime of the PBOC has gradually lost its significance as a pricing benchmark, with commercial banks generally adopting independent pricing mechanisms. While the underlying objective of TPGF in providing financial services to the Company remains unchanged, and TPGF will continue to offer interest rates and fee rates that are more favourable than those offered by external financial institutions, the revisions have been made to enhance the rigour, prudence and operability of the pricing policies and the basis thereof under the Agreement 2026. This is achieved by comparing TPGF’s quotations with those obtained from the six (6) major state-owned commercial banks in the PRC, which provide a more credible and stable basis for comparison. The Company considers this to be beneficial to the Company and its minority Shareholders, as the six (6) major state-owned commercial banks represent large-scale financial institutions with strong financial standing, established risk management systems and significant market presence, such that their quotations provide a more reliable basis for assessing whether the pricing offered by TPGF is fair and competitive, while also taking into account prudent risk management considerations. In adopting this comparison basis, the Company has taken into account factors such as the credibility, stability, comparability and representativeness of the relevant quotations, so as to avoid undue reliance on quotations from certain financial institutions that may, at particular points in time, reflect unusually aggressive pricing and therefore may not provide an appropriate or sustainable basis for consistent comparison. For the avoidance of doubt, the adoption of the six (6) major state-owned commercial banks in the PRC as the principal comparison benchmark does not preclude the Company from taking into account more favourable interest rates and/or fee rates available from other financial institutions, where appropriate. Accordingly, the revised pricing policies are intended to strike an appropriate balance between commercial benefit and prudent risk management, and are not prejudicial to the interests of the Company and its minority Shareholders.”

We have considered and discussed with the Management the Company’s rationale for replacing “other domestic financial institutions” in the Agreement 2023 with “six (6) major state-owned commercial banks” in the Agreement 2026, as stated in Section 2.5.7 of the Annexure and reproduced above. We understand that when selecting the service providers, the Company will not only consider pricing but also take into account other factors, including credibility, stability, comparability and representativeness of the relevant quotations, sustainability of business and government policy. The underlying objective of TPGF of providing interest rates and service fees that are more favourable than those offered by external financial institutions remains unchanged. With the proposed change, the interest rates/service fees of TPGF will be benchmarked against those of the six (6) major state-owned commercial banks, which collectively are influential in setting the LPR and that the LPR is generally used as a guide by other commercial banks in the PRC for setting their interest rates. The Company believes that the proposed change would enable the Company to obtain reasonable market rates without taking excessive risks and compromising its corporate objectives. Considering the credit standing of the six (6) major state-owned commercial banks, their leading status in the banking industry in the PRC, and the fact that they are part of the 20 quoting banks for

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the LPR in the PRC², which, as a result, are collectively influential in the determination of the LPR, which in turn is generally used as a guide by other commercial banks in the PRC to set their deposit and/or loan interest rates, we are of the view that the abovementioned difference is not prejudicial to the interests of the Company and its minority Shareholders.

4.1.3 Comparison with selected past similar interested person transactions

For the purpose of assessing the Proposed TPGF IPT as interested person transaction, we have considered the duration, scope of services, pricing principles, maximum limits, among other things, under the Agreement 2026, compared with selected similar transactions involving the provision of similar financial services by interested persons which were announced by companies listed on the SGX-ST and SSE in 2024 and up to the Latest Practicable Date, and for which information is publicly available (the “**Selected Reference Transactions (FSA)**”).

We wish to highlight that the Selected Reference Transactions (FSA) set out in Appendix 1 are by no means exhaustive. In addition, they may differ from the Company in terms of business activities, scale of operations, types of products, geographical markets and other criteria. The terms provided under the relevant financial services agreement may vary in different circumstances depending on, *inter alia*, prevailing interest rates, market conditions, relevant regulatory requirements, creditworthiness of relevant companies and other considerations. We have extracted information from respective relevant announcements and have not attempted to update any subsequent developments, such as shareholders’ approval, actual amounts transacted under the financial services agreements and changes in the terms (if any, unless otherwise stated). As such, such references or any observations made herein are necessarily limited and therefore intended to serve as an illustration guide only. The salient terms in relation to the Selected Reference Transactions (FSA) are set out in Appendix 1.

Based on the information in Appendix 1, we note the following:

- (a) all of the financial services agreements have a duration of up to three (3) years;
- (b) scope of services covers deposit services, credit/loan services and other financial services;
- (c) in general, maximum limits are set on the amount of deposits, credit services/loans and/or amount of services but the limits vary from case to case; and
- (d) interest rates are determined with reference to those obtained from third parties, such as other major commercial banks, interest rates charged/offered by the interested party (i.e. finance company) to third parties, LPR or interest rates published by PBOC. In general, interest rates or services fees offered/charged by the finance companies, which are also interested parties or connected to interested parties, shall not be less favourable than those charged/offered by unrelated third parties or prevailing market rates (with reference to LPR or as published by PBOC).

² Source: <https://www.chinamoney.com.cn/english/bmklpr/> and <https://www.chinamoney.com.cn/english/mdtmblpb/>

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We also note that LPR is calculated based on the quotes made by 20 quoting banks (including the six (6) major state-owned commercial banks) by National Inter-bank Funding Centre, serving as the pricing reference for bank lending³.

Based on the above, we are of the view that the key terms of the Agreement 2026 are in line with those of the Selected Reference Transactions (FSA).

4.1.4 Review procedures and safeguards

We have reviewed the review procedures and safeguards in relation to the Proposed TPGF IPT as set out in Section 2.6 of the Annexure.

We note from Section 2.6.2 of the Annexure that the transactions pursuant to Agreement 2026 shall be reviewed and approved by the head of the finance department of the Company (or such person appointed to such capacity from time to time), provided that the interest rates and/or quotations, as the case may be, offered by TPGF are not less favourable than those offered by the six (6) major state-owned commercial banks in the PRC and that the overall terms are in accordance with the usual industry practice and business policies of the Group, as well as the pricing basis and policies as set out in the Agreement 2026.

In addition, the Proposed TPGF IPT will also be subject to the guidelines and review procedures that the Group has adopted for any interested person transaction undertaken by the Group, where applicable, including but not limited to: (a) review by the Audit Committee on a quarterly basis; (b) review by the Company's internal audit department on a quarterly basis; (c) special audit by the Company's internal audit department on the Company's use of funds on an annual basis; (d) review by the Company's external auditors as part of its annual audit; and (e) disclosure of the aggregate value of the transactions arising from the Proposed TPGF IPT in the format stipulated in Rule 907 of the Listing Manual in the Company's quarterly and full year financial statement and its annual report.

4.1.5 Other relevant considerations

(a) TPGF

We have considered the information relating to TPGF set out in Section 2.1.1 and Section 2.3 of the Annexure. In particular, we understand that as a non-bank financial institution, TPGF operates in strict compliance with the applicable regulatory requirements of the NFRA and conducts its financial business in a prudent manner. Accordingly, TPGF strictly implements the regulatory requirements and indicators prescribed by the NFRA for the industry, controls its capital adequacy ratio and level of liabilities, maintains good liquidity and seeks to ensure that the funding needs of all the member entities of the TPH group are met. We also note that, in accordance with the requirements of Article 14 of the *Administrative Measures on Finance Companies of Enterprise Groups (Order of the China Banking and Insurance Regulatory Commission No. 6 of 2022)* (《企业集团财务公司管理办法》(中国银行保险监督管理委员会令

³ See footnote 2 above.

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2022 年第 6 号)), issued by the NFRA on 13 October 2022 and taking effect from 13 November 2022, Article 18(6) of the articles of association of TPGF clearly provides that “*Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), as the parent company of TPGF, undertakes to inject additional capital, where necessary, to address any payment difficulties faced by TPGF in emergency situations*”.

We also note that TPGF's net assets stood at RMB1,143.7 million (approximately S\$213.1 million) and RMB1,171.8 million (approximately S\$218.3 million) as at 31 December 2025 and 28 February 2026 respectively and recorded a net profit of RMB24.2 million (approximately S\$4.5 million) and RMB28.1 million (approximately S\$5.2 million) for FY2025 and two months ended 28 February 2026⁴ respectively. In addition, as at the Latest Practicable Date, based on the information available to the Company and its ongoing monitoring of TPGF, the Company is not aware that TPGF had, in the past 24 months, been subject to any qualified audit opinion, any regulatory breach or any material adverse event (including any liquidity incident).

- (b) Other measures to safeguard the independence of the transactions arising from the Agreement 2026

We note from Section 2.1.1 of the Annexure that the head of the finance department of the Company, Mr. Ma Jian, is also a director of TPGF nominated by the Company. In addition, as at the Latest Practicable Date, (i) Mr. Xing Jianhua, the Non-Executive and Non-Independent Director of the Company, is also the director and legal representative of TPGF and a member of senior management of TPH; (ii) Mr. Guo Min, the Executive Director of the Company, is also a director of TPH; (iii) Ms. Wang Lei, the Chairman and Executive Director of the Company, is also the legal representative and a member of the senior management of TPH; and (iv) Ms. Mao Weiwen, the Non-Executive and Non-Independent Director of the Company, is also a member of the senior management of TPH and a director of Taiping Medicine.

Notwithstanding the above, the Company believes that this will not affect the independence of the Proposed TPGF IPT for the reasons stated in Section 2.6.1 of the Annexure. Shareholders are advised to read the entire Section 2.6 of the Annexure carefully.

We have considered the Company's views and the following factors and believe that the above will not affect the determination of the terms under the Agreement 2026 to be on normal commercial terms and not prejudicial to the Company and its minority Shareholders:-

- (i) although Mr. Ma Jian is a representative of the Company on the board of directors of TPGF, the Company holds only thirty per cent. (30%) of the voting rights in TPGF as at the Latest Practicable Date and, accordingly, Mr. Ma Jian is not in a position to exercise control over or materially influence the board of directors of TPGF. Further, the pricing policies and basis for the Financial Services to be provided by TPGF under the Agreement 2026 are clearly set out in the Agreement 2026 and have been reviewed and approved by the Audit Committee. The actual transactions arising therefrom (if any)

⁴ Financial figures are converted based on RMB 1 : S\$0.1863 as at the Latest Practicable Date.

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will be approved by the head of the finance department of the Company, being Mr. Ma Jian as at the Latest Practicable Date and carried out by the personnel of the Company's finance department in accordance with such pricing policies and basis, and subject to the review procedures for the Proposed TPGF IPT set out in Section 2.6.2 of the Annexure and general guidelines and review procedures for interested person transactions set out in Section 2.6.3 of the Annexure. Save for the foregoing arrangement, which the Company believes is a common practice in the finance industry in the PRC where shareholder(s) nominate director(s) to the board of directors of a finance company, the Company will ensure that the head of the finance department of the Company has no interest in, or relationship with, the TPH group, whether directly or indirectly;

- (ii) Mr. Xing Jianhua, as a Non-Executive and Non-Independent Director of the Company, is not involved in the day-to-day operations and management of the Company and will not be involved in the decision-making procedures in relation to the Proposed TPGF IPT;
- (iii) the Interested Directors (i.e. Mr. Guo Min, Ms. Wang Lei, Mr. Xing Jianhua, and Ms. Mao Weiwen) shall abstain from voting at the Board meeting in respect of the resolution approving the Proposed TPGF IPT and shall not act as proxies or otherwise for the purposes of voting on such resolution;
- (iv) the proposed entry into the Agreement 2026 constitutes a related party transaction under the PRC Laws (including the SSE Listing Rules) and an interested person transaction under the Listing Manual and shall be subject to approval by Shareholders at a general meeting of the Company, at which the interested Shareholders shall abstain from voting, and such transaction shall only take effect upon approval by a majority of the Independent Shareholders;
- (v) the terms of the Agreement 2026 provide that the interest rates or services fees (as the case may be) shall not be less favourable than those offered/charged by the six (6) major state-owned commercial banks in the PRC;
- (vi) the transactions pursuant to the Agreement 2026 shall be reviewed and approved by the head of the finance department of the Company (or such person appointed to such capacity from time to time), provided that the interest rates and/or quotations, as the case may be, offered by TPGF are not less favourable when compared with those offered by the six (6) major state-owned commercial banks in the PRC and that the overall terms are in accordance with the usual industry practice and business policies of the Group, as well as the pricing basis and policies as set out in the Agreement 2026; and
- (vii) the safeguards and on-going monitoring measures in managing the risks associated with deposits placed with TPGF stated in Section 2.6.4 of the Annexure.

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We further note that each of the resolutions (including the Proposed TPGF IPT) to be tabled at the 2026 AGM is not inter-conditional. TPH will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolutions in respect of the Proposed IPTs at the 2026 AGM.

4.2 PROPOSED GUARANTEES

In our evaluation of the Proposed Guarantees as interested person transactions, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

- (a) the rationale for, and benefits of, the Proposed Guarantees;
- (b) proportionate amount of the Proposed Guarantees;
- (c) other salient terms of the Proposed Guarantees;
- (d) the provision of previous guarantees for Taiping Medicine and TJZX Medicine;
- (e) key financial information of Taiping Medicine and TJZX Medicine;
- (f) comparison with selected past similar interested person transactions; and
- (g) other relevant considerations.

4.2.1 Rationale for, and benefits of, the Proposed Guarantees

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Guarantees or the future prospects of the Group in view of the Proposed Guarantees. Nevertheless, we have reviewed the rationale for, and benefits of, the Proposed Guarantees as set out in Section 3.4 of the Annexure, of which the full text has been reproduced in italics in paragraph 3.3.3 of this Letter above.

4.2.2 Proportionate amount of the Proposed Guarantees

We note that pursuant to the Proposed Guarantees, each of TPH and the Company will provide guarantees for amounts in proportion to their respective equity interests (direct or indirect) held in Taiping Medicine and TJZX Medicine and the other terms of the guarantee agreements are equally applied to both TPH and the Company.

Notwithstanding the guarantee scope covers all amounts due or payable by the debtor, including interest, compound interest, penalty interest, liquidated damages, compensation for losses and all other costs and expenses incurred in enforcing or recovering payment from the debtor, the Company has confirmed that the maximum amount of liabilities for both guarantors, namely the Company and TPH, will not exceed their respective Maximum Guarantee Amount as set out under Sections 3.3(a), 3.3(b) and 3.3 (c) of the Annexure.

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4.2.3 Other salient terms of the Proposed Guarantees

We have reviewed the template guarantee agreements of the financial institutions (including TPGF) to which Taiping Medicine and TJZX Medicine intend to apply for credit facilities and discussed with the Management on the same. Based on the guarantee agreements provided to us and Management's representations, we note the following salient terms, among other things:-

- (a) notwithstanding the validity period of each guarantee agreement is one (1) year from its date of execution, the guarantee liability period (i.e. the period during which the relevant financial institution(s) may enforce the guarantee against the guarantor) is three (3) years commencing from the expiry of the performance period (i.e. the due date for repayment) of each debt under the underlying principal facility agreement. Where there are multiple debts under the underlying principal facility agreement, the guarantee liability period for each such debt shall be three (3) years from the expiry of the performance period of that debt, and the overall guarantee liability period may therefore extend to three (3) years from the expiry of the performance period of the last outstanding debt;
- (b) the guarantor shall provide financial statements regularly, all bank account names and numbers and supporting documents on the guarantor's repayment capacity and creditworthiness as requested by the creditor;
- (c) during the guarantee liability period, the guarantor shall inform the creditor in writing of any material adverse changes that could affect its ability to fulfil its obligations under the guarantee agreement, including (i) any involvement or potential involvement in major litigation, arbitration, administrative or other judicial proceedings; and (ii) receipt of any material adverse notification, order or directive from any government authorities;
- (d) during the validity period of the guarantee agreement, the guarantor shall inform the creditor of any material changes in its operations, registered capital, shareholding structure, bankruptcy, dissolution, liquidation, revocation of business license, business address, company name and legal representative(s);
- (e) during the validity period of the guarantee agreement, the guarantor shall not provide guarantee for any third party without creditor's consent;
- (f) during the validity period of the guarantee agreement, the guarantor shall not sell, lease, transfer, mortgage, pledge or otherwise dispose of significant assets, or all or a substantial part of the assets, unless creditor's prior consent is obtained; and
- (g) if the debtor and/or the guarantor fail to settle any outstanding debt in full and on time, the creditor shall have the right to directly debit funds of any currency from any account maintained by the guarantor with the creditor.

The Company has confirmed that both the Company and TPH will provide corporate guarantees for Taiping Medicine and TJZX Medicine based on the same terms and conditions, save for the Maximum Guarantee Amount, which shall be in proportion to their respective equity interest (direct or indirect) in Taiping Medicine and TJZX Medicine.

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4.2.4 Provision of previous guarantees for Taiping Medicine and TJZX Medicine

Please refer to paragraph 3.3.1 of this Letter for details of the Company's Proportionate Guarantee, Taiping Medicine 2025 Guarantee and TJZX Medicine 2025 Guarantee.

We also note that the Proposed Taiping Medicine Guarantee is not in addition to the Taiping Medicine 2025 Guarantee, but a continuation thereof. The Proposed TJZX Medicine Guarantee (Third-Party) and the Proposed TJZX Medicine Guarantee (TPGF) are also not in addition to the Company's Proportionate Guarantee and the TJZX Medicine 2025 Guarantee, but are continuation thereof.

The Company has confirmed that as at the Latest Practicable Date, there are no past instances of breaches by Taiping Medicine and TJZX Medicine in respect of the Company's Proportionate Guarantee, Taiping Medicine 2025 Guarantee and TJZX Medicine 2025 Guarantee that require the Company and/or TPH to perform repayment on their behalf.

4.2.5 Key financial information of Taiping Medicine and TJZX Medicine

The key financial information of Taiping Medicine and TJZX Medicine is set out in Section 3.2.2 of the Annexure, and reproduced in paragraph 3.1.3 of this Letter. As at the Latest Practicable Date, based on the unaudited financial information of Taiping Medicine and TJZX Medicine for FY2025 that Management has shared with us, we note, among others, that:

Taiping Medicine

- (a) Taiping Medicine had recorded a net profit of RMB2.6 million in FY2025 compared to a net loss of RMB7.4 million in FY2024, despite a decrease in revenue of approximately 2.1%, from approximately RMB8.4 billion in FY2024 to approximately RMB8.2 billion in FY2025.
- (b) Taiping Medicine has historically maintained positive working capital and net asset positions for the past three (3) years. As at 31 December 2025, Taiping Medicine recorded a working capital of approximately RMB1.1 billion, net asset value of approximately RMB983.8 million and net tangible asset value of approximately RMB952.3 million.
- (c) As at 31 December 2025, Taiping Medicine had a current ratio of approximately 1.19 and a quick ratio of approximately 1.04, indicating sound liquidity and relatively low financial risk. In terms of cash flow, Taiping Medicine has a net cash generated from operating activities in FY2025 amounting to approximately RMB361.8 million. The aforementioned financial figures of Taiping Medicine include those of TJZX Medicine. Given the capital-intensive nature of the pharmaceutical wholesale and retail industry, occasional short-term liquidity pressure may arise. Nevertheless, Taiping Medicine has maintained steady cash inflows from product sales, which are sufficient to meet its debt repayment obligations as they fall due.

TJZX Medicine

- (a) TJZX Medicine recorded a decrease in revenue, from approximately RMB3.1 billion in FY2024 to RMB2.7 billion in FY2025. Notwithstanding, it was noted that TJZX Medicine improved its

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net loss by approximately 96.8%, from a net loss of approximately RMB38.8 million in FY2024 to a net loss of approximately RMB1.2 million in FY2025.

- (b) TJZX Medicine has historically maintained positive working capital and net asset position for the past three (3) years. As at 31 December 2025, TJZX Medicine recorded a working capital of approximately RMB395.1 million, net asset value of approximately RMB430.0 million and net tangible asset value of approximately RMB425.5 million.
- (c) TJZX Medicine demonstrated a healthy financial profile. TJZX Medicine's current ratios for the past three (3) years were approximately 1.193, 1.209 and 1.222 as at 31 December 2023, 31 December 2024 and 31 December 2025 respectively. This steady improvement reflects an enhancement in TJZX Medicine's short-term debt repayment capacity, with current assets consistently exceeding current liabilities, thereby indicating improved liquidity. In terms of cash flow, TJZX Medicine recorded net cash generated from operating activities amounted to approximately RMB202.3 million in FY2025. For FY2026, TJZX Medicine expects revenue from its public healthcare segment and community healthcare segment to increase by approximately 9.94% and 6.81%, respectively, which is expected to provide a solid financial information for the repayment of both short-term and long-term borrowings. Being in the same capital-intensive pharmaceutical wholesale and retail industry as Taiping Medicine, TJZX Medicine also faces occasional short-term liquidity pressure, which is not uncommon in the sector. Nonetheless, the steady inflow of funds from product sales continues to serve as a reliable source of repayment for amounts due under the relevant credit facilities as they fall due.

Accordingly, based on historical financial performance and projected revenue growth, the Company is of the view that, as at the Latest Practicable Date, both Taiping Medicine and TJZX Medicine have the financial capability to meet their respective repayment obligations under the proposed credit facilities.

4.2.6 Comparison with selected past similar interested person transactions

For the purpose of assessing the Proposed Guarantees as interested person transactions, we have considered the guarantee amount to be provided under the Proposed Guarantees as a percentage of the Group's net tangible assets ("**NTA**"), compared with selected similar transactions involving the provision of corporate guarantees for interested persons which were undertaken and announced by companies (excluding real estate and business trusts) listed on the SGX-ST, that were announced since 1 January 2023 and up to the Latest Practicable Date, and for which information is publicly available (the "**Selected Reference Transactions (Guarantees)**").

We wish to highlight that the Selected Reference Transactions (Guarantees) set out in Appendix 2 are by no means exhaustive. In addition, the guarantee amounts provided vary in different circumstances depending on, *inter alia*, the amount of credit facilities to be obtained, the terms of the credit facilities and requirements of the lenders, the size, nature of business, nature of underlying assets and creditworthiness of both the borrower and the companies providing the corporate guarantee, prevailing market conditions as well as general economic and business sentiments. As such, such references or any observations made herein are necessarily limited and therefore intended to serve as an illustration guide only. The salient information in relation to the Selected Reference Transactions (Guarantees) is set out in Appendix 2.

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Based on the information set out in Appendix 2, we note the following:

- (a) the corporate guarantees for interested persons by the companies listed on the SGX-ST as tabulated in Appendix 2 were provided in proportion to the guarantor's respective equity interest held in the recipient entities; and
- (b) for illustrative purposes only, the Proposed Guarantees as a percentage of the Group's NTA of 44.20% is below the maximum of 56.53% of the Selected Reference Transactions (Guarantees), and the Company's total amount of corporate guarantees as a percentage of the Group's NTA of 50.54% is below the mean and median of 57.61% and 52.80% respectively, including the Company's guarantees announced on 11 September 2024 and 28 March 2025 and below the mean and median of 66.73% and 63.76% respectively, excluding the Company's guarantees announced on 11 September 2024 and 28 March 2025.

We wish to highlight that the Company, Taiping Medicine and TJZX Medicine are not in the same industry as and are not directly comparable to the companies involved in the Selected Reference Transactions (Guarantees) in terms of, among others, geographical markets, composition of business activities, type of assets, scale of operations, market or industry size, geographical spread, accounting policies, financial performance, operating and financial leverage, asset base, risk profile, track record, future prospects and other relevant criteria. Further, the list of Selected Reference Transactions (Guarantees) is by no means exhaustive and information relating to the said companies was compiled from publicly available information. As such, the Non-Interested Directors should note that any comparison made with respect to the Selected Reference Transactions (Guarantees) is intended to serve as a general guide only, and any conclusions drawn from the comparisons may not necessarily reflect the full picture.

4.2.7 Other relevant considerations

- (a) No inter-conditionality

We note that each of the Proposed TPGF IPT, Proposed Taiping Medicine Guarantee, Proposed TJZX Medicine (Third-Party) and Proposed TJZX Medicine (TPGF), will be tabled as a separate resolution, and is not inter-conditional. Accordingly, subject to obtaining the requisite Shareholders' approval, each of the Proposed TPGF IPT, Proposed Taiping Medicine Guarantee, Proposed TJZX Medicine (Third-Party) and Proposed TJZX Medicine (TPGF) may proceed independently, irrespective of whether any of the other resolutions is approved.

- (b) Abstention from voting

We note that, as set out in Section 4.8 of the Annexure, TPH will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolutions in respect of the Proposed IPTs at the 2026 AGM. In addition, TPH shall, and has undertaken to ensure that its associates shall, not accept nomination as proxies or otherwise participate in voting on the resolutions at the 2026 AGM unless specific instructions have been given in the proxy instrument on how the relevant Shareholders wish to vote. The Company will disregard any votes cast on the resolutions of the Proposed IPTs by TPH and its associates.

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Additionally, as set out in Section 5.2 of the Annexure, each of the Interested Directors has abstained from voting on the Board resolutions in respect of the Proposed IPTs and will also abstain from making any recommendation to the Independent Shareholders on the Proposed IPTs.

5. OUR OPINIONS

This Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual and is addressed to the Non-Interested Directors for their use and benefit, in connection with and for the purposes of their consideration of the Proposed IPTs. Their recommendations to the Independent Shareholders in respect of the Proposed IPTs shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Annexure, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the 2026 AGM and for the purpose of the Proposed IPTs, at any time in any manner without our prior written consent in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Having regard to our terms of reference, in arriving at our opinion, we have taken into account the factors which we considered to be pertinent to and would have a significant bearing on our assessment of the Proposed IPTs as set out in the following paragraphs, which should be read in conjunction with, and in the context of, the full text of this Letter.

The Non-Interested Directors should note that our recommendation is based upon market, economic, industry, monetary and other conditions prevailing and information made available to us as at the Latest Practicable Date.

5.1 OUR OPINION ON THE PROPOSED TPGF IPT

In arriving at our opinion in respect of the Proposed TPGF IPT as interested person transaction, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) the rationale for, and benefits of, the Proposed TPGF IPT;
- (b) pricing policies and basis;
- (c) comparison with selected past similar interested person transactions;
- (d) review procedures and safeguards; and
- (e) other relevant considerations stated in paragraph 4.1.5 of this Letter

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Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed TPGF IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

5.2 OUR OPINION ON THE PROPOSED GUARANTEES

In arriving at our opinion in respect of the Proposed Guarantees as interested person transactions, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) the rationale for, and benefits of, the Proposed Guarantees;
- (b) the proportionate amount of the Proposed Guarantees;
- (c) other salient terms of the Proposed Guarantees;
- (d) the provision of previous guarantees for Taiping Medicine and TJZX Medicine;
- (e) key financial information of Taiping Medicine and TJZX Medicine;
- (f) in comparison with the Selected Reference Transactions (Guarantees);
 - (i) the corporate guarantees for interested persons by the companies listed on the SGX-ST as tabulated in Appendix 2 were provided in proportion to the guarantor's respective equity interest held in the recipient entities; and
 - (ii) for illustrative purposes only, the Proposed Guarantees as a percentage of the Group's NTA of 44.20% is below the maximum of 56.53% of the Selected Reference Transactions (Guarantees), and the Company's total amount of corporate guarantees as a percentage of the Group's NTA of 50.54% is below the mean and median of 57.61% and 52.80% respectively, including the Company's guarantees announced on 11 September 2024 and 28 March 2025 and below the mean and median of 66.73% and 63.76% respectively, excluding the Company's guarantees announced on 11 September 2024 and 28 March 2025; and
- (g) other relevant considerations stated in paragraph 4.2.7 of this Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, each of the Proposed Guarantees is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

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Based on the factors and opinions set out in paragraphs 5.1 and 5.2 above, we therefore advise you to recommend that Independent Shareholders vote in favour of the Proposed IPTs to be proposed at the 2026 AGM.

Yours faithfully
For and on behalf of
RHB Bank Berhad

Serene Tan
Head, Corporate and Investment Banking

Alvin Soh
Head, Corporate Finance & Advisory

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Appendix 1 – Selected Reference Transactions (FSA)

S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
1	SIIC Environment Holdings Ltd.	Stock Exchange of Hong Kong (“SEHK”) and SGX-ST/ SEHK: 807; SGX: BHK	1 March 2026	SIIC Group Finance Co., Ltd. (“SIIC Finance”), a subsidiary of SIIC Shanghai Holdings Co., Ltd., over which SIIC Shanghai Industrial Investment (Holdings) Company Limited, the controlling shareholder of the company, is the authorised representative exercising state-owned shareholders’ rights	Up to 3 years	Deposit services; Credit services; Other financial services	<p><u>Deposit limit:</u> Maximum daily outstanding balance of deposits (including accrued interest) of RMB2 billion each year</p> <p><u>Maximum limit on services and other financial services:</u> Not available</p>	<p><u>Interest rates for deposit and credit services:</u> Determined on a fair basis in compliance with the interest rate policies of the PBOC, taking into account the prevailing market interest rates whilst offering preferential terms. Under the same conditions, deposit/credit interest rates shall not be lower/higher than those offered by other major commercial banks in the PRC for the same type of deposits/credit services during the same period, nor shall they be lower/higher than the rates offered/charged by SIIC Finance for the same type of deposits/credit services accepted from third parties</p>

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
								<p>during the same period.</p> <p><u>Service fees:</u> Determined on a fair basis with reference to the fees charged for the same type of services provided by independent third parties and the prevailing market prices whilst offering preferential terms. Under the same conditions, such fees shall not exceed the prevailing fee standards (if any) prescribed by relevant government authorities for such services, nor shall they exceed fees charged by other major commercial banks in the PRC for the same type of services, nor shall they exceed fees charged by SIIC Finance for the same type of services provided to third parties.</p>

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
2	CITIC International Holdings Limited	SEHK/ SEHK: 01883	17 October 2025	CITIC Bank and its subsidiaries in the PRC, China CITIC Bank International, CITIC Finance and CITIC Finance International ⁽¹⁾	Up to 3 years	Deposits services, settlement services and credit services	<p><u>Deposit limit:</u> Aggregate maximum daily outstanding balance of deposits (including accrued interest) of HK\$1.6 billion per year.</p> <p><u>Service fees limit:</u> Aggregate maximum settlement service fee payable of HK\$3 million per year.</p> <p><u>Maximum limit on credit services:</u> Not available</p>	<p><u>Deposit interest rate:</u> Not lower than the highest interest rates for comparable category of deposits offered by other major commercial banks or financial institutions with which the group has an established business relationship.</p> <p><u>Service fees:</u> Not higher than the lowest service fees for comparable category of settlement services charged by other major commercial banks or financial institutions with which the group has an established business relationship.</p> <p><u>Interest rates for credit services:</u> Not higher than the lowest interest rates for comparable grade of credit services charged by other</p>

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
3	State Information and Telecommunication Co., Ltd. (国网信息通信股份有限公司) ("SGIT")	SSE/ SH600131	26 April 2024 and 27 August 2024	China Power Finance Co., Ltd. (中国电力财务有限公司) ("CPFC") CPFC is a wholly-owned subsidiary of the State Grid Corporation of China (国家电网有限公司) ("State Grid"), which is the ultimate controlling shareholder.	From the date of shareholder approval at 2023 annual general meeting to the date of the 2024 annual general meeting	Deposits, settlements, loans, bill acceptance and discounting, bond underwriting, guarantees, financial advisors, credit verification, consulting agencies	<p><u>Deposit rates:</u> Not lower than the interest rates for comparable category of deposits offered by other major commercial banks and not lower than the interest rates offered by CPFC to other member companies of the State Grid.</p> <p><u>Deposit limit:</u> Average daily deposit of RMB1.2 billion⁽²⁾; Single-day deposit balance of RMB2.5 billion.</p> <p><u>Credit/loan limit:</u> Not available.</p> <p><u>Maximum amount of service fees:</u> Not available.</p>	<p>major commercial banks or financial institutions with which the relevant member of the group has an established business relationship.</p> <p><u>Loan interest rates:</u> Not higher than those of the same type offered by CPFC to other member companies of the State Grid. Taking into account the loan interest rates offered by other major commercial banks and LPR, SGIT has</p>

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
4	CNOOC Energy & Technology Services Ltd (中海油能源发展股份有限公司)	SSE/ SH600968	28 November 2024	CNOOC Finance Co., Ltd. (中海石油财务有限责任公司) The finance company and the listed company are both ultimately controlled by China National Offshore Oil Corporation (“CNOOC”) (中国海洋石油集团有限公司)	From the date of shareholder approval until end of 2027	Settlement, deposits, credit services and other financial services	<p><u>Deposit limit (2025 & 2026):</u> Average daily deposit balance of RMB3 billion</p> <p><u>Deposit limit (2027):</u> Average daily deposit balance of RMB3.5 billion</p> <p><u>Loan limit (2025, 2026 and 2027):</u> Average daily balance of loans of RMB6.8 billion</p>	<p>the discretion to take up the loan with the financial institution that offers the best interest rate.</p> <p><u>Service fees:</u> Not disclosed</p> <p><u>Deposit interest rates:</u> 0 – 40% above the interest rates published by PBOC from time to time</p> <p><u>Loan interest rates:</u> Based on LPR or a certain percentage lower than LPR, provided that such rates are in compliance with relevant rules and regulations</p> <p><u>Other financial services:</u> No services fees for settlement services; preferential rates for other services under prevailing regulatory environment; the listed company and its subsidiaries have</p>

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
							billion, RMB8.5 billion and RMB9.7 billion respectively <u>Other credit services (such as guarantees, bill discounting etc.)</u> : Average daily balance not exceeding RMB3.2 billion, RMB3.4 billion and RMB3.5 billion for 2025, 2026 and 2027 respectively <u>Other financial services</u> : Total service fees charged not exceeding	the discretion to obtain services from the finance company or other service providers.

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S/N	Company	Listed Exchange/ Stock Code	Date of announcement	Service Provider	Duration	Scope of Service	Maximum limits	Pricing principles
							RMB14 million, RMB16 million and RMB20 million per annum for 2025, 2026 and 2027 respectively	

Source: Relevant companies' announcements

Notes:

- (1) Please refer to the company's announcement dated 17 October 2025 on the SEHK website <https://www.hkexnews.hk/index.htm> for details of the service providers.
- (2) Maximum amount of average daily deposit was increased from RMB800 million to RMB1.2 billion, based on announcement dated 27 August 2024.

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Appendix 2 – Selected Reference Transactions (Guarantees)

S/N	Guarantor/ Entity-at-Risk	Debtor/ Interested Person	Date of announcement	In proportion to effective shareholding/ unitholding in the Interested Person (Y/N)	Amount guaranteed by the Entity at Risk (S\$'000) ⁽¹⁾ (A)	Latest audited NTA (S\$'000) ⁽¹⁾⁽²⁾ (B)	Amount of guarantee as a percentage of NTA ⁽²⁾ =(A)/(B)	Total amount of corporate guarantees provided as at date of announcement (S\$'000) ⁽¹⁾⁽³⁾ (C)	Total amount of corporate guarantees as percentage of NTA ⁽²⁾ =(C)/(B)
1	Wee Hur Holdings Ltd.	Wee Hur Thomson (Residential) Pte. Ltd. and Wee Hur Thomson (Commercial) Pte. Ltd.	4 Feb 2026	Y	374,261	662,058	56.53%	727,097	109.82%
2	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited	(1) Taiping Medicine (2) TJZX Medicine	28 Mar 2025	Y	RMB 1,647,300	RMB7,756,004	21.24%	RMB2,974,574	38.35%
3	F&N Treasury Pte. Ltd., a wholly-owned subsidiary of Fraser and Neave, Limited	Coffee Concepts (Thailand) Co. Ltd.	11 Feb 2025	Y	79,243 ⁽⁴⁾	3,112,350	2.55%	3,390,181	108.93%
4	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited	TJZX Medicine	11 Sept 2024	Y	RMB 832,650	RMB6,528,642	12.75%	RMB1,446,938	22.16%
5	Wee Hur Holdings Ltd.	Active System Development Pte. Ltd.	5 Jul 2024	Y	102,451	628,844	16.29%	452,198	71.91%

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S/N	Guarantor/ Entity-at-Risk	Debtor/ Interested Person	Date of announcement	In proportion to effective shareholding/ unitholding in the Interested Person (Y/N)	Amount guaranteed by the Entity at Risk (\$'000) ⁽¹⁾ (A)	Latest audited NTA (\$'000) ⁽¹⁾⁽²⁾ (B)	Amount of guarantee as a percentage of NTA ⁽²⁾ =(A)/(B)	Total amount of corporate guarantees provided as at date of announcement (\$'000) ⁽¹⁾⁽³⁾ (C)	Total amount of corporate guarantees as a percentage of NTA ⁽²⁾ =(C)/(B)
6	Wee Hur Holdings Ltd.	Active System Engineering Pte. Ltd.	25 Jun 2024	Y	33,000	628,844	5.25%	349,747	55.62%
7	H2G Green Limited ("H2G")	Green Energy Investment Holding Private Limited ("GEIH")	1 Jul 2024	Y	754 ⁽⁵⁾	18,398	4.10%	754	4.10%
8	Wee Holdings Ltd.	Hur Redfern Trust	15 Nov 2023	Y	22,379	703,387	3.18%	351,564	49.98%
Including the Company's guarantees announced on 11 Sept 2024 and 28 Mar 2025									
	Max						56.53%		109.82%
	Mean						14.71%		57.61%
	Median						10.51%		52.80%
	Min						2.55%		4.10%
Excluding the Company's guarantees announced on 11 Sept 2024 and 28 Mar 2025									
	Max						56.53%		109.82%
	Mean						14.65%		66.73%
	Median						4.67%		63.76%
	Min						2.55%		4.10%
	The Company	(1) Taiping Medicine	30 Mar 2026	Y	RMB 1,408,875	RMB7,013,306	20.09%	RMB 3,544,268 ⁽⁶⁾	50.54%
		(2) TJZX Medicine	30 Mar 2026	Y	RMB 1,690,650	RMB7,013,306	24.11%		

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Notes:

- (1) Amount of guarantees and NTA (as the case may be) is denominated in Singapore dollars and rounded off to the nearest thousand, unless otherwise stated. In the case of the Company's guarantees announced on 11 September 2024, 28 March 2025 and 30 March 2026, the amount of guarantees and NTA is denominated in RMB and rounded off to the nearest thousand.
- (2) Being the latest audited NTA of the group as at the end of the preceding financial year prior to the date of the announcement, unless otherwise stated.
- (3) Based on the information disclosed in each entity-at-risk's latest annual report prior to the date of the announcement, after adjusting for the guarantees that were announced.
- (4) Converted from the amount guaranteed of THB1,981,082,000 based on the exchange rate of approximately 1 Thailand Baht : 25 Singapore Dollars as disclosed in the announcement dated 11 February 2025.
- (5) Based on the terms of corporate guarantee provided by H2G, the maximum liability of H2G will not exceed the lower of: (i) 50.1% of the total monies payable by GEIH to the financial institution under the credit facility, being up to approximately S\$753,809, together with any legal and other costs and expenses incurred in enforcing or obtaining payment from GEIH (collectively, the "Additional Costs"); or (ii) S\$790,000 payable under the credit facility, together with any Additional Costs incurred. For the purpose of computing the ratios as set out in the table above, Additional Costs are disregarded.
- (6) Based on the the total outstanding amount of external guarantees provided by the Company and its controlled subsidiaries (as defined under the PRC Laws) of approximately RMB444,742,711.26 as at the Latest Practicable Date, comprising guarantees provided by the Company for TJZX Medicine under the TJZX Medicine 2025 Guarantee and for Taiping Medicine under the Taiping Medicine 2025 Guarantee, after adjusting for the Proposed Guarantees.

