

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED
(Formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited)
(Company Registration No.91120000103100784F)
(Incorporated in the People's Republic of China)

ANNOUNCEMENT ON THE 2024 ACTION PLAN FOR “QUALITY IMPROVEMENT, EFFICIENCY ENHANCEMENT, AND FOCUS ON SHAREHOLDER RETURNS” (2024 年度“提质增效重回报”行动方案)

The board of directors (the “Board”) and every individual director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the “Company”) hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

The Board wishes to announce that, in order to thoroughly implement the State Council's "Opinions on Further Improving the Quality of Listed Companies (《关于进一步提高上市公司质量的意见》)" and to actively respond to the "Initiative on Carrying Out the Special Action of Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns for Companies Listed on the Shanghai Stock Exchange (《关于开展沪市公司“提质增效重回报”专项行动倡议》)" of the Shanghai Stock Exchange, the Company has formulated the 2024 Action Plan for “Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns” (2024 年度“提质增效重回报”行动方案) (the “**Action Plan**”), to promote the high-quality development of the Company and deliver better returns to its shareholders. Please refer to **Appendix A** to this announcement for further details of the Action Plan.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
16 August 2024

APPENDIX A

2024 年度“提质增效重回报”行动方案 2024 ACTION PLAN FOR “QUALITY IMPROVEMENT, EFFICIENCY ENHANCEMENT, AND FOCUS ON SHAREHOLDER RETURNS”

为推动公司高质量发展，更好回报投资者，津药达仁堂集团股份有限公司（以下简称“公司”）深入贯彻落实国务院《关于进一步提高上市公司质量的意见》，积极响应上海证券交易所《关于开展沪市公司“提质增效重回报”专项行动倡议》，制定 2024 年度“提质增效重回报”行动方案，具体内容如下：

In order to thoroughly implement the State Council's "Opinions on Further Improving the Quality of Listed Companies (《关于进一步提高上市公司质量的意见》)" and to actively respond to the "Initiative on Carrying Out the Special Action of Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns for Companies Listed on the Shanghai Stock Exchange (《关于开展沪市公司“提质增效重回报”专项行动倡议》)" of the Shanghai Stock Exchange (the “SSE”), Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (the “Company”) has formulated the 2024 Action Plan for “Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns” (2024 年度“提质增效重回报”行动方案) (the “Action Plan”), to promote the high-quality development of the Company and deliver better returns to its shareholders. The details of the Action Plan are set out as follows:

一、聚焦核心工业，聚力核心主业

I. Focusing on Core Industries and Strengthening Key Businesses

公司将持续聚焦资源，突出核心工业板块，聚能“三核九翼”产品，不断提升品牌力、产品力、创新力、服务力，打造清晰的战略发展目标体系，通过健康中国系列行动有序落地，分阶段做强主品，提高硬实力，过程中，循序渐进做好品牌引领和数字赋能等软实力提升工作。充分挖掘老字号和非遗价值内核，2024 年将有序落实《大国品牌》、“中医药文化守护官”等 5 个品牌项目。公司从业务数字化向数字业务化迈进，推进数智化基座建设，包括 iPaas, 主数据，数据中台，混合云等。

The Company will continue to concentrate its resources on core industrial sectors, focusing on the development of the "Three Cores and Nine Wings" products. The Company seeks to consistently enhance brand strength, product quality, innovation capabilities and service excellence, establishing a clear strategic development framework. This will be achieved through the phased implementation of the Healthy China initiative, which systematically strengthens the Company's core products and hard capabilities. Concurrently, the Company will progressively enhance its soft capabilities, including brand leadership and digital empowerment. The Company will fully explore the intrinsic value of its heritage brands and intangible cultural assets, and in 2024, will strategically roll out five (5) brand projects, including "Great Nation Brand" and "Guardian of Traditional Chinese Medicine Culture". The Company is transitioning from business digitisation to digital-driven business transformation, advancing the construction of a digital intelligence foundation, including iPaas, master data management, data middle platform, and hybrid cloud solutions.

二、关注股东回报，共享发展红利

II. Committing to Shareholder Returns and Sharing Benefits of Growth

积极通过现金分红，提高投资者回报水平。2022 年度、2023 年度连续两年高比例分红。自 2001 年在上交所上市至 2024 年中，公司累计实现净利润 85.30 亿元，累计现金分红 41.32 亿元，平均分红率 48.44%，派息融资比 334.26%。

The Company is dedicated to enhancing investor returns through proactive cash dividends. In both the financial year ended 31 December 2022 and 31 December 2023, the Company consecutively distributed high-ratio dividends. From its listing on the SSE in 2001 to mid-2024, the Company has achieved a cumulative net profit of RMB8.53 billion and distributed a total of RMB4.132 billion in cash dividends, with an average payout ratio of 48.44% and a payout-to-financing ratio of 334.26%.

2024 年 7 月，公司实施了 2023 年度现金分红方案，即每 10 股派发现金红利 12.80 元，合计派发 9.86 亿元。

In July 2024, the Company implemented its 2023 cash dividend plan, distributing a total dividend of approximately RMB986 million on the basis of RMB12.8 for every 10 shares in the capital of the Company.

未来公司将在持续创造价值的基础上，强化股东回报，按照证监会《上市公司监管指引第 3 号——上市公司现金分红》，响应证监会有关分红倡议之精神，参照《津药达仁堂集团股份有限公司 2023-2025 年股东回报规划》，落实分红政策，并在未来期间持续做好回报规划的审议披露工作。在做好资本开支规划的情况下，尽可能以现金分红方式，直接回报股东。

Looking ahead, the Company will prioritise enhancing shareholder returns while continuing to create value. In accordance with the *Regulatory Guideline No. 3 for Listed Companies - Distribution of Cash Dividends by Listed Companies* (《上市公司监管指引第 3 号-上市公司现金分红》) promulgated by the China Securities Regulatory Commission (the “CSRC”) and in response to the spirit of the CSRC’s dividend initiative, the Company will implement its dividend policy based on the “Scheme on Return of Investment to Shareholders from 2023 to 2025”. The Company will continue to review and disclose the return plan regularly. As part of its capital expenditure planning, the Company will strive to directly reward shareholders through cash dividends whenever possible.

三、提升新质生产力，质胜产业新周期

III. Enhancing New Quality Productivity and Win in the New Industrial Cycle

1.以质量和降本为中心，打造健康生产质量体系。公司聚力实施中药材内控标准统一项目，梳理统一关键质量流程，推动检测平台建设，搭建大健康质量体系，持续提升产品品质内涵。公司正积极申请速效救心丸所用川芎药材基地 GAP 延伸检查，争创全国口服中药制剂第一家中药材符合 GAP 要求及全程质量追溯的药品生产企业，目前该项目已顺利完成现场检查。同时公司将进一步丰富药材品种“三无一全”基地认证，推动中成药产品说明书安全性信息科学修订。同时，计划实施精益降本项目 128 项。

1. Focusing on quality and cost reduction to build a robust production quality system. The Company is advancing the standardisation project for internal control of traditional Chinese medicinal materials, streamlining key quality processes, developing testing platforms, and establishing a comprehensive health quality system to continuously enhance product quality. The Company is actively applying for the extension of GAP certification inspections for the Chuanxiong, a medicinal material used in Suxiao Jiuxin Wan, striving to become the first pharmaceutical manufacturer in China whose Chinese medicinal materials for oral traditional Chinese medicine (“TCM”) preparations meet GAP standards and achieve full quality traceability. This project has successfully completed on-site inspection. Simultaneously, the Company will further enhance the certification of medicinal materials bases under the "Three No and One Full" standard and promote the scientific revisions of safety

information in Chinese patent medicine product manuals. Moreover, the Company plans to implement 128 lean cost reduction projects.

2.持续打造达仁堂优势剂型、创新制剂技术平台，建设健康研发体系。公司将持续开展剂型转移，优化产品布局，上半年已实现条包新上市销售 7 个产品，完成 10 个沉睡品种的恢复生产计划。公司按照“战略品类、传承研究、创新中药研究”三个战略方面有序推进中药创新发展，已启动经典名方自研平台建设，遴选经典名方项目纳入科研优先级项目。同时，公司将不断增加与科研院所的合作。

2. Continuously Building a Platform for Advantageous Dosage Forms and Innovative Formulation, and Establishing a Robust R&D System. The Company will continue to promote dosage form transfers and optimise product layouts. In the first half of 2024, seven (7) new sachet-form products were successfully launched, and the production resumption plan of ten (10) dormant varieties was completed. The Company is advancing TCM innovation across three (3) strategic areas: strategic categories, heritage research, and innovative TCM research. The Company has initiated the construction of a proprietary research platform for classical prescriptions, prioritising selected projects for research. At the same time, the Company will continually expand collaborations with scientific research institutes.

3. 强化以终端动销、纯销增量为导向的合规营销体系。立足“产品求突破、区域广覆盖、渠道强渗透”核心营销策略，2024 年将推动健康科技公司 2.0 版本的营销架构调整，新架构在“突出营销引领”方面，追求达仁堂集团本部充分贴近业务、赋能支持；在“突出专业运营”方面，设置了医疗、零售、创新三大事业部，以强化渠道策略和打法的专业性；在“突出渠道下沉”方面，业务单元从省级进一步下沉到城市，以加强对终端的覆盖能力。目前正不断完善标准统一，流程再造，数智赋能，合规建设，GSP 衔接等方面工作。

3. Strengthening a Compliance-Driven Marketing System focused on Terminal Sales and Incremental Pure Sales. The Company's 2024 marketing structure adjustments for Health Technology Company (Version 2.0) will be grounded in its core marketing strategy of "product breakthroughs, extensive regional coverage, and strong channel penetration". The new structure will aim to align the Group's headquarters closely with business operations and provide empowering support, enhancing marketing leadership. To emphasise professional operations, the Company will establish three major divisions—medical, retail, and innovation—to reinforce the professionalism of channel strategies and operational methods. Additionally, the business units will be extended from the provincial to the city level to strengthen terminal coverage, thereby deepening channel penetration. Ongoing efforts are being made to continuously improve standard unification, process reengineering, digital intelligence empowerment, compliance construction, and Good Supply Practice (GSP) alignment.

四、加强投资者沟通，提升公司透明度

IV. Strengthening Investor Communication and Enhancing Transparency

在公告及时准确性等基础上，不断提高公告可读性，在定期报告之外，做好《可持续发展报告 (ESG 报告)》等多维度信息披露工作。积极组织投资者说明会，提高投资者热线、互动平台、电子邮箱、现场调研接待水平。组织投资者走进上市公司调研，充分利用股东大会等契机，增加投资者实地调研，直面董监高交流沟通频次。做好股东信息回复的同时，做好股东对于公司治理、业务经营意见建议的整理讨论和落实回复工作。保障日常交流过程中的股东建议及时反馈至相关部门，保证股东参与公司治理的权利，发挥好股东管理才智。

The Company is committed to enhancing the readability of announcements while ensuring their timeliness and accuracy. In addition to regular reports, the Company will focus on multi-dimensional

information disclosure, including the Sustainability Report (ESG Report). The Company will actively organise investor briefings and improve the effectiveness of investor hotlines, interactive platforms, emails and on-site visits. By facilitating investor visits to the Company and fully utilising opportunities such as shareholder meetings, the Company aims to increase face-to-face communication with directors, supervisors and management of the Company. Additionally, the Company will organise, discuss, and address shareholders' opinions and suggestions regarding corporate governance and business operations. Shareholder feedback will be promptly communicated to relevant departments, ensuring their participation in corporate governance and fully leveraging their insights.

五、规范治理方面，做好投保工作

V. Strengthening Governance and Implementing Investor Protection Measures

公司将不断跟踪监管法规和政策指引，做好内部制度更新修订。以法规为准绳，以制度为指引做好公司规范治理。落实好累计投票，差额选举等公司章程规范的投保制度。充分落实《独立董事制度》、《投资者关系管理制度》、《关联交易管理制度》，更加注重保护投资者，特别是中小投资者的合法权益。

The Company will continuously monitor laws, regulations and policy guidelines to ensure the timely updating and revision of internal systems. The Company upholds laws as benchmarks and uses internal policies as guidance to ensure proper corporate governance. The Company will implement investor protection measures in relation to corporate governance practices such as cumulative voting and competitive election as provided in the Articles of Association of the Company. The Company will fully implement the Independent Directors System, the Investor Relations Management System, and the Interested Person/ Related Party Transactions Management System, with a focus on protecting the legitimate rights and interests of shareholders, especially minority shareholders.

同时，针对公司经营全过程，制定《津药达仁堂集团合规管理办法》和《津药达仁堂集团合规行为手册》以及各项业务具体合规指引。

Additionally, the Company has formulated the Compliance Management Measures and the Compliance Conduct Manual, along with specific compliance guidelines for various business operations, to ensure comprehensive adherence throughout the Company's operations.

六、强化“关键少数”，加强正向激励

VI. Strengthening the "Key Few" and Enhancing Positive Incentives

公司将不断强化组织公司董监高等关键少数，通过参加交易所、上市公司协会等组织的合规培训定期学习法规制度。2024 年制定并审议通过公司《独立董事制度》，以此进一步提升，独立董事履职水平，维护中小投资者合法权益。

The Company will continue to strengthen the capabilities and awareness of its "key few", including directors, supervisors and senior management personnel, by organising them to regularly participate in trainings provided by stock exchanges and associations of listed companies. In 2024, shareholders of the Company approved the proposed amendments to the Independent Directors System of the Company at the Company's annual general meeting held on 15 May 2024, to further enhance the performance of duties by independent directors and safeguard the legitimate rights and interests of the minority shareholders of the Company.

公司 2024 年第一次董事会审议通过《公司超额激励专项管理办法》，强化正向激励，加强关键经营人员与股东保持公司发展利益的一致性。同时，在全集团，公司将进一步打造主动干事、主动担责、主动学习的专业健康人才体系，打造以业务为导向，以提高效率为标准的健康组织流程体系。未来，公司将不断探索引入其他行之有效的激励和监督管理工具，助推公司高质量发展。

The Board approved the Special Administrative Measures for Excess Incentives of the Company at the Company's 1st Board meeting for the financial year ending 31 December 2024, reinforcing positive incentives and aligning the interests of key management personnel with those of shareholders and the Company. Additionally, the Company will further develop a proactive, responsible and continuously learning professional talent system across the Group and establish a business-oriented organisational process system focused on efficiency improvements. Moving forward, the Company will explore other effective incentive and supervisory management tools to drive its high-quality development.

本次“提质增效重回报”行动方案涉及到的前瞻性陈述和战略规划，不构成公司承诺，敬请广大投资者注意投资风险。

The forward-looking statements and strategic plans contained in this Action Plan do not constitute a commitment by the Company. Investors are advised to make rational decisions and be mindful of investment risks.