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Grand Pharmaceutical Group Limited
遠大醫藥集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00512)

SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT

CONNECTED TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN HEBEI YUANDA JIUFU BIOTECHNOLOGY CO., LTD. AND BAODING JIAHE FINE CHEMICAL CO., LTD.

Reference is made to the Company's announcement dated 31 December 2025 (the "**Announcement**") in relation to the connected transaction involving the Transaction contemplated under the Share Purchase Agreement. Unless otherwise stated, capitalized terms in this supplemental announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the consideration of RMB316,000,000 for the Transaction was determined after arm's length negotiation between the Purchaser and the Vendors with reference to, among other things, (i) the financial performance, business growth and prospects of the Target Companies (including the existing assets and technical know-how under research and development progress and the future prospect of the research and development projects); (ii) the valuation report prepared by an independent qualified valuer based on market approach, pursuant to which the appraised value of the 100% equity interests in the Target Companies as at 30 September 2025 was approximately RMB324,000,000 after deduction of the proposed distribution of profits of RMB134,000,000 to the Vendors; and (iii) the benefits that would be brought to the Group by the Transaction. The Board wishes to supplement the following information in relation to the Valuation:

THE VALUATION

Valuation Approach

In order to reflect the latest financial performance and capital structure of the Target Companies, the Valuer has adopted the trailing enterprise value-to-sales multiple in the Valuation. Enterprise Value to Earnings Before Interest and Taxes ("EV/EBIT") multiple is adopted because the Target Companies is a mature, stable-growth business with predictable capital-expenditure needs. EV/EBIT multiple is suitable for capturing the profitability of companies and reflecting the capital structure of the Target Companies.

The Target Companies are principally engaged in the sales of pharmaceutical intermediates and active pharmaceutical ingredients (APIs) for human drugs in China. Therefore, listed companies with similar business exposure in relation to the principal activity of the Target Companies are identified. As a result, the comparable companies were selected with reference to the criteria as follows:

1. The comparable companies are principally engaged in the sales of pharmaceutical intermediates and active pharmaceutical ingredients (APIs) for human drugs (i.e. more than 70% of the total revenue come from the sales of pharmaceutical intermediates and APIs for human drugs in the latest financial year);
2. The comparable companies are based and operate in China;
3. The comparable companies are listed on Hong Kong Stock Exchange, Shanghai Stock Exchange or Shenzhen Stock Exchange;
4. The comparable companies have at least 3 consecutive years of publicly available audited financial statements; and
5. The financial information of the comparable companies is available to the public.

As a result, the Valuer identified 17 guideline public companies to be comparable to the Target Group with the aforesaid criteria. These Comparable Companies form an exhaustive list based on the selection criteria.

Details of the Comparable Companies are summarised as follows:

Company Name	**Ticker**	**Business Description**	**% of Revenue from Sales of Human Drugs in Last Fiscal Year**
Tuoxin Pharmaceutical Group Co.,Ltd.	SZSE:301089	Tuoxin Pharmaceutical Group Co.,Ltd. engages in the research and development, production and sales of nucleoside (acid) APIs and pharmaceutical intermediates in China. The company offers nucleoside (acid) products, such as pyrimidine series, purine series, and nucleotide series; nucleoside series, including citicoline sodium, ribavirin, inosine, acyclovir, azithromycin, cytosine, 5-fluorocytosine, cytidine, uridine; and other APIs and pharmaceutical intermediates covering antiviral, anti-tumor, and nervous system. Tuoxin Pharmaceutical Group Co.,Ltd. was founded in 2001 and is based in Xinxiang, China.	Total Revenue: RMB 421.65 million Revenue from Sales of Human Drugs: RMB 421.69 million (99.99%)
Jiangxi Synergy Pharmaceutical Co., Ltd.	SZSE:300636	Jiangxi Synergy Pharmaceutical Co., Ltd. manufactures and sells APIs worldwide. It offers raw materials, pharmaceutical intermediates, and fine chemicals. Jiangxi Synergy Pharmaceutical Co., Ltd. was founded in 2004 and is headquartered in Yichun, the People's Republic of China.	Total Reven1ue: RMB 757.93 million Revenue from Sales of Human Drugs: RMB 758.89 million (99.87%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Zhejiang East Asia Pharmaceutical Co., Ltd.	SHSE:605177	Zhejiang East Asia Pharmaceutical Co., Ltd. produces and sells pharmaceutical chemicals, tablets, granules, intermediates, and capsules. It offers quinolones synthetic antibacterial agents, antifungal products, gastrointestinal medications, semi-synthetic cephalosporin antibiotics, carbapenem antibiotics, antiviral agents, central nervous system medications, respiratory drugs, antiallergic agents, antineoplastic agents and tumor adjuvant drugs, and other products. The company provides products in the fields of cardiovascular, anti-aging dementia, digestive system, diabetic neuropathy, and anti-pathogenic microorganisms. It serves customers through a sales network in China, Europe, the United States, Southeast Asia, and internationally. The company was founded in 1992 and is headquartered in Taizhou, China.	Total Revenue: RMB 1,188.48 million Revenue from Sales of Human Drugs: RMB 1,198.24 million (99.19%)
Newland Pharmaceutical Co., Ltd.	SZSE:301277	Newland Pharmaceutical Co., Ltd. engages in the research and development, production, and sale of pharmaceutical intermediates and APIs in China. The company offers pharmaceutical intermediates, including L-4-hydroxyphenylglycine methyl ester, L-hydroxyphenylglycine potassium salt, L-4-hydroxyphenylglycine, and p-Toluenesulfonic acid. It also provides APIs, such as ropivacaine hydrochloride, naphazoline hydrochloride, moxifloxacin hydrochloride, lidocaine hydrochloride, vildagliptin, tadalafil, chlorpheniramine maleate, clopidogrel bisulfate, lidocaine, gatifloxacin, febuxostat, esomeprazole sodium, and esomeprazole magnesium. The company was formerly known as Henan Newland Pharmaceutical Co., Ltd. and changed its name to Newland Pharmaceutical Co., Ltd. in June 2023. Newland Pharmaceutical Co., Ltd. was founded in 2005 and is based in Changge City, China.	Total Revenue: RMB 719.43 million Revenue from Sales of Human Drugs: RMB 726.44 million (99.04%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Zhejiang Haisen Pharmaceutical Co., Ltd.	SZSE:001367	Zhejiang Haisen Pharmaceutical Co., Ltd. engages in the research and development, production, and sale of chemical active pharmaceutical ingredient and intermediates in China. The company offers APIs for anti-gastric ulcer, antilipemic agent, antipyretic analgesics, antidepressant, analgesic, antibacterial agent, antipyretic analgesics, histamines drug, and anticonvulsant. It also provides chemical product for intermediates and food additives. Zhejiang Haisen Pharmaceutical Co., Ltd. was founded in 1998 and is based in Dongyang, China.	Total Revenue: RMB 457.55 million Revenue from Sales of Human Drugs: RMB 471.51 million (97.04%)
The United Laboratories International Holdings Limited	SEHK:3933	The United Laboratories International Holdings Limited, an investment holding company, engages in the research and development, manufacture, distribution, and sale of pharmaceutical products. It operates through three segments: Bulk Medicine, Intermediate Products, and Finished Products. The company offers oral antibiotics, antimicrobials for injection, anti-cold products, cough medicines, ophthalmic drugs, antiviral drugs, anti-hepatitis B drugs, diabetes drugs, skin drugs for external use, cardiovascular and cerebrovascular drugs, amoxicillin products, nervous system drugs, vitamins, veterinary drugs, and vacant gelatin capsules. It also provides intermediate products, such as 6-aminopenicillanic acid, tert-octylammonium clavulanate, anhydrous sodium carbonate sterile, and penicillin G potassium first crystal. In addition, the company manufactures and sells soft capsules casings; holds trademarks; and trades in pharmaceutical products, as well as offers management services. It has operations in the People's Republic of China, India, Europe, the Middle East, South America, rest of Asian regions, and internationally. The company was founded in 1990 and is headquartered in Yuen Long, Hong Kong.	Total Revenue: RMB 13,208.87 million Revenue from Sales of Human Drugs: RMB 13,758.94 million (96.00%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Zhejiang Ausun Pharmaceutical Co., Ltd.	SHSE:603229	Zhejiang Ausun Pharmaceutical Co., Ltd. engages in the research and development, process development, manufacture, and sale of APIs and pharmaceutical intermediates. It offers fluorine products, prostaglandins, antimicrobials, and oncology products. The company also provides products for liver disease, respiratory system, and cardiac and cerebral vessels, as well as CNS indications. In addition, it offers development and manufacturing services to the pharmaceutical, cosmetics, and nutritional industries. The company was founded in 2010 and is based in Linhai, China.	Total Revenue: RMB 757.52 million Revenue from Sales of Human Drugs: RMB 795.29 million (95.25%)
Zhejiang Benli Technology Co., Ltd.	SZSE:301065	Zhejiang Benli Technology Co., Ltd. engages in the research, development, production, and sale of pharmaceutical, pesticide, and other material intermediates in China and internationally. Its products include N,N-Dimethylamino ethyl acrylate; 2,4-Dichloro-5-fluorobenzoyl chloride; 2-(2,4-Dichloro-5-fluorobenzoyl)-3-cyclopropylamino acrylate ethyl ester; 1-Ethyl-7-(1-piperazinyl)-6-fluoro-1,4-dihydro-4-oxo-3-quinolinecarboxylic acid hydrochloride; 2,4-Dichlorofluorobenzene; Methyl 3-Methoxyacrylate; Ethyl 3-ethoxyacrylate; 2,6-Dichlorofluorobenzene; 4-tert-Butylbenzoyl chloride; and 2, 4, 6-Trimethylbenzoyl chloride. The company was founded in 2011 and is based in Linhai, China.	Total Revenue: RMB 657.67 million Revenue from Sales of Human Drugs: RMB 708.83 million (92.78%)
Shandong Sito Bio-technology Co., Ltd.	SZSE:300583	Shandong Sito Bio-technology Co., Ltd. researches, develops, and produces steroid biomedicine intermediates. Its products include 9a-hydroxyandrost, 17a-hydroxyprogesterone, 17a-hydroxy progesterone derivatives, anecort acetate, neomycin sulfate, progesterone intermediate, tylvalosin tartrate, tetraene acetate, androstenedione, bisnoralcohol, norandrostenedione, ethylene deltenone, 16ß and 16a methyl epoxide, and hexahydro-3a-methyl, as well as androsta-1,4-diene-3,17-dione and estra-4,9-diene-3,17-dione. The company was founded in 2002 and is based in Heze City, China.	Total Revenue: RMB 889.99 million Revenue from Sales of Human Drugs: RMB 970.60 million (91.69%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Zhejiang Tianyu Pharmaceutical Co., Ltd.	SZSE:300702	Zhejiang Tianyu Pharmaceutical Co., Ltd. engages in the research, development, manufacture, and sale of pharmaceutical intermediates and APIs in China and internationally. The company offers pharmaceutical intermediates and APIs of cardiovascular, anti-diabetic, anti-atherosclerosis, anticoagulant, and anti-asthmatic series. It provides fine chemicals and CDMO services. Zhejiang Tianyu Pharmaceutical Co., Ltd. was founded in 1993 and is based in Taizhou, China.	Total Revenue: RMB 2,359.91 million Revenue from Sales of Human Drugs: RMB 2,630.81 million (89.70%)
Hubei Biocause Heilen Pharmaceutical Co., Ltd.	SZSE:301211	Hubei Biocause Heilen Pharmaceutical Co., Ltd. engages in the pharmaceutical, chemical, and new energy fuel businesses in China and internationally. The company provides APIs and intermediates, and formulations; and dimethyl ether gas and a-chloropropionyl chloride chemical products. It is also involved in the contract research, manufacture, and production of APIs, intermediates, and formulations, including tablets, granules, capsules, etc. The company was founded in 1995 and is based in Jingmen, China.	Total Revenue: RMB 356.16 million Revenue from Sales of Human Drugs: RMB 445.86 million (79.88%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Aurisco Pharmaceutical Co.,Ltd.	SHSE:605116	Aurisco Pharmaceutical Co.,Ltd. engages in research, manufacturing, and marketing of pharmaceutical intermediates, specialty active pharmaceutical ingredients (API's), and formulations catering to the pharmaceutical market worldwide. The company offers APIs and intermediates of respiratory system, cardiovascular, anti-infection, nervous system, anti-tumor, and women's health drugs. It also provides dexamethasone is used to treat skin diseases; fluticasone propionate preparations are used to treat asthma and allergic rhinitis; fluticasone furoate preparations are used to treat asthma, allergic rhinitis, and chronic obstructive pulmonary disease; eplerenone preparations are used for the treatment of hypertension and heart failure; bepedalic acid preparations are used for the treatment of hypercholesterolemia or atherosclerotic cardiovascular diseases; tenofovir used for the treatment of HIV-1 infection and chronic hepatitis B; pregabalin preparations are used to treat neuropathic pain, fibromyalgia, epilepsy, etc.; brivaracetam preparations are used to treat epilepsy; abiraterone acetate preparation for the treatment of prostate cancer; enzalutamide preparation for the treatment of prostate cancer; and dydrogesterone preparations are used to treat dysmenorrhea, endometriosis, irregular menstrual cycle, etc. In addition, the company provides contract manufacturing services and related development works for chemicals, intermediates, and API's. Aurisco Pharmaceutical Co.,Ltd. was founded in 1998 and is headquartered in Tiantai, China.	Total Revenue: RMB 1,140.66 million Revenue from Sales of Human Drugs: RMB 1,472.07 million (77.49%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
BrightGene Bio-Medical Technology Co., Ltd.	SHSE:688166	BrightGene Bio-Medical Technology Co., Ltd., a pharmaceutical company, engages in the research and development, manufacture, and commercialization of pharmaceutical products in China. The company offers Eribulin mesylate injection, Voriconazole for injection, Entecavir tablets, Oseltamivir phosphate capsule and dry suspension, Agatroban injection, Mikafungin sodium for injection, Fondaparinux sodium injection, and Caspofungin acetate for injection. It also provides antitumor, antibodies drug conjugate, anti-infection, angiography, gynecology, cardiovascular, cerebrovascular, iron supplement, digestion, and other APIs and intermediates. In addition, the company offers veterinary drugs. BrightGene Bio-Medical Technology Co., Ltd. was founded in 2001 and is based in Suzhou, China.	Total Revenue: RMB 987.88 million Revenue from Sales of Human Drugs: RMB 1,282.55 million (77.02%)
Jiangxi Fushine Pharmaceutical Co., Ltd.	SZSE:300497	Jiangxi Fushine Pharmaceutical Co., Ltd. engages in the research, development, manufacture, and sale of APIs and pharmaceutical intermediates in China and internationally. The company offers penicillin, carbapenem, and other products, as well as intermediates of antiviral drugs. It also provides contract research, development, and manufacturing services, as well as engages in lithium battery electrolyte additives. The company was formerly known as Jingdezhen Fuxiang Pharmaceutical Co., Ltd and changed its name to Jiangxi Fushine Pharmaceutical Co., Ltd. in August 2012. Jiangxi Fushine Pharmaceutical Co., Ltd. was founded in 2002 and is based in Jingdezhen, China.	Total Revenue: RMB 897.07 million Revenue from Sales of Human Drugs: RMB 1,177.85 million (76.16%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Kontafarma China Holdings Limited	SEHK:1312	Kontafarma China Holdings Limited, an investment holding company, manufactures and sells chemical drugs, active pharmaceutical ingredients (API), and API intermediate in Mainland China, Singapore, Taiwan, and internationally. It operates through Pharmaceutical Business and Fitness Business segments. The company offers prescription drugs, including chemical drugs and prescribed traditional Chinese medicines; operates fitness and yoga centers, as well as franchise business; and provides management and consultation services for fitness and health activities. It also offers corporate advisory services; and researches and develops medical products. The company was formerly known as Tongfang Kontafarma Holdings Limited and changed its name to Kontafarma China Holdings Limited in September 2022. The company was incorporated in 2011 and is headquartered in Wan Chai, Hong Kong. Kontafarma China Holdings Limited is a subsidiary of China Health Management Investment Limited.	Total Revenue: HKD 682.09 million Revenue from Sales of Human Drugs: HKD 897.52 million (76.00%)
Apeloa Pharmaceutical Co.,Ltd	SZSE:000739	Apeloa Pharmaceutical Co.,Ltd provides raw materials and intermediates to various pharmaceutical factories in the People's Republic of China and internationally. The company offers preparation products, including cardio-cerebrovascular, anti-infection, anti-tumor, anti-viral, and special drugs. It offers its products under the Tianliwei, Beshin, Yosemade, Jutai, and other brands. Apeloa Pharmaceutical Co.,Ltd was founded in 1989 and is based in Dongyang, the People's Republic of China.	Total Revenue: RMB 8,651.39 million Revenue from Sales of Human Drugs: RMB 12,021.86 million (71.96%)

Company Name	Ticker	Business Description	% of Revenue from Sales of Human Drugs in Last Fiscal Year
Zhejiang Hisoar Pharmaceutical Co., Ltd.	SZSE:002099	Zhejiang Hisoar Pharmaceutical Co., Ltd. engages in the manufacture of pharmaceutical products and dyes in China and internationally. The company offers antibiotics, cardiovascular, hypoglycemic, fine chemicals, formulations, intermediates, and other products. It also provides dyestuff, and intermediates of dyestuff and pigment; and manufactures environmental protection related equipment, medical chemical supplies and appliances, other chemical intermediates. The company was founded in 1966 and is based in Taizhou, China.	Total Revenue: RMB 1,368.38 million Revenue from Sales of Human Drugs: RMB 1,938.47 million (70.59%)

Source: S&P Capital IQ and financial reports of the Comparable Companies

The Valuer adopted 11.73x as the enterprise value-to-sales multiple of the Comparable Companies. Detailed calculations of valuation multiples of Comparable Companies are summarised as follows:

Stock Ticker	Reporting Currency	Enterprise Value (Reporting Currency million)[1]	LTM EBIT (Reporting Currency million)[1]	EV/LTM EBIT Ratio[2]	Adopted Size Premium Adjustment[3]	Size Adjusted EV/LTM EBIT Ratio[7]
SZSE:301089	RMB	3,686.74	(55.63)	N/A	5.08%	N/A
SZSE:300636	RMB	3,231.43	70.61	45.76x	4.23%	14.63x
SHSE:605177	RMB	2,572.42	(185.80)	N/A	4.23%	N/A
SZSE:301277	RMB	4,384.69	140.25	31.26x	5.08%	11.07x
SZSE:001367	RMB	2,548.03	125.06	20.37x	4.23%	9.31x
SEHK:3933	RMB	23,264.59	3,353.36	6.94x	5.27%	4.86x
SHSE:603229	RMB	7,556.26	158.80	47.58x	4.83%	13.33x
SZSE:301065	RMB	1,685.63	57.44	29.34x	4.23%	10.74x
SZSE:300583	RMB	3,292.48	(162.18)	N/A	4.23%	N/A
SZSE:300702	RMB	10,248.15	180.82	56.68x	4.83%	16.82x
SZSE:301211	RMB	3,405.75	(6.57)	N/A	5.08%	N/A
SHSE:605116	RMB	8,939.37	452.27	19.77x	4.83%	10.02x
SHSE:688166	RMB	26,483.30	93.57	283.03x	5.58%	17.62x
SZSE:300497	RMB	6,214.46	(200.14)	N/A	5.08%	N/A
SEHK:1312	HKD	289.06	(75.23)	N/A	-4.51%	N/A
SZSE:000739	RMB	16,287.35	885.70	18.39x	5.01%	8.91x
SZSE:002099	RMB	8,154.36	(139.29)	N/A	4.83%	N/A
					Average	**11.73x**

Notes:

1. *The figures are rounded to the nearest ten thousand.*

2. *The EV/LTM EBIT multiples are calculated by dividing Enterprise Value of the Comparable Companies by its respective LTM EBIT as of the Valuation Date as extracted from S&P Capital IQ.*

3. *The adopted size premium adjustment for each of the Comparable Companies is derived as below:*

Stock Ticker	*Market Capitalisation (USD million)*	*Target Group's size premium[4] (a)*	*Size Premium[4] (b)*	*Adopted Size Premium Adjustment[5] (a)-(b)*
SZSE:301089	558.14	6.22%	1.14%	5.08%
SZSE:300636	499.04	6.22%	1.99%	4.23%
SHSE:605177	306.88	6.22%	1.99%	4.23%
SZSE:301277	707.69	6.22%	1.14%	5.08%
SZSE:001367	494.01	6.22%	1.99%	4.23%
SEHK:3933	3,808.61	6.22%	0.95%	5.27%
SHSE:603229	1,186.74	6.22%	1.39%	4.83%
SZSE:301065	330.42	6.22%	1.99%	4.23%
SZSE:300583	398.37	6.22%	1.99%	4.23%
SZSE:300702	1,246.39	6.22%	1.39%	4.83%
SZSE:301211	699.79	6.22%	1.14%	5.08%
SHSE:605116	1,279.77	6.22%	1.39%	4.83%
SHSE:688166	3,548.12	6.22%	0.64%	5.58%
SZSE:300497	754.34	6.22%	1.14%	5.08%
SEHK:1312	25.14	6.22%	10.73%	-4.51%
SZSE:000739	2,642.29	6.22%	1.21%	5.01%
SZSE:002099	1,266.36	6.22%	1.39%	4.83%

4. *Small company risk premium is the additional return required by small company investors to compensate the higher perceived risks of small companies. The small company risk premium is made reference to Kroll Cost of Capital Navigator 2023.*

5. *The Adopted Size Premium Adjustment of each of the Comparable Companies is derived by the formula below:*

   Adopted Size Premium Adjustment = Target Group's Size Premium – Size Premium of each of the Comparable Companies

6. *The Equity Value divided by Enterprise Value for each of the Comparable Companies is derived as below:*

Stock Ticker	*Reporting Currency*	*Equity Value*	*Enterprise Value*	*Equity Value / Enterprise Value*
SZSE:301089	RMB	3,973.50	3,686.74	107.78%
SZSE:300636	RMB	3,552.79	3,231.43	109.94%
SHSE:605177	RMB	2,184.71	2,572.42	84.93%
SZSE:301277	RMB	5,038.21	4,384.69	114.90%
SZSE:001367	RMB	3,516.97	2,548.03	138.03%
SEHK:3933	RMB	27,114.24	23,264.59	116.55%
SHSE:603229	RMB	8,448.64	7,556.26	111.81%
SZSE:301065	RMB	2,352.34	1,685.63	139.55%
SZSE:300583	RMB	2,836.05	3,292.48	86.14%
SZSE:300702	RMB	8,873.32	10,248.15	86.58%
SZSE:301211	RMB	4,981.97	3,405.75	146.28%
SHSE:605116	RMB	9,110.96	8,939.37	101.92%
SHSE:688166	RMB	25,259.81	26,483.30	95.38%
SZSE:300497	RMB	5,370.33	6,214.46	86.42%
SEHK:1312	HKD	195.60	289.06	67.67%
SZSE:000739	RMB	18,811.01	16,287.35	115.49%
SZSE:002099	RMB	9,015.50	8,154.36	110.56%

7. *Since the comparable companies may have different size from the Target Group, a size premium is adopted for adjusting the multiples. The size premium is the additional risk premium required by investors for companies that are relatively smaller. Smaller companies are perceived as riskier in relation to business operation and financial performance, resulting in lower valuation multiple. We have taken into account the impact of the difference in the market capitalization between the Comparable Companies and the Target Group. Set out below is the adjustment to the EV/LTM EBIT ratio considering the impact of the size difference:*

$$Size\ Adjusted\ \frac{EV}{LTM\ EBIT}\ Ratio\ = \frac{1}{\frac{1}{EV/LTM\ EBIT\ Ratio} + Adopted\ Size\ Premium\ Adj. x\ \frac{Equity\ Value}{Enterprise\ Value}}$$

The adoption and basis of the Discount for Lack of Marketability ("DLOM") is detailed as follows:

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

In the valuation, discount for lack of marketability is referenced to the research of "Stout Restricted Stock Study Companion Guide 2024 Edition". A discount for lack of marketability of 15.6% was adopted.

Based on the above assumptions, calculation details of the market value of the Target Group as at the Valuation Date are summarised as follows:

Summary of the Target Companies Valuation	**RMB**
Size Adjusted EV/LTM EBIT Multiple	11.73x
LTM EBIT as of 30 September 2025	52,904,058
Enterprise value (before DLOM)	620,562,696
Less: DLOM	(96,807,781)
Enterprise value	523,754,916
Add: Cash	19,192,575
Less: Debt	(79,979,898)
Add: Non-Operating Assets	1,623,190
Less: Non-Operating Liabilities	(6,865,118)
Market value of the Target Group (before dividends payout)	457,725,666
Less: Dividends payout	(134,000,000)
Market value of the Target Group	323,725,666
Market value of the Target Group (rounded)	**324,000,000**

*Sum may not equal due to rounding

The market value of the Target Companies is RMB324,000,000 based on market approach.

INFORMATION ON VENDOR I

Vendor I contributed RMB19,010,400 and RMB6,091,800 to set up Target Company 1 and Target Company 2 respectively.

INFORMATION ON VENDOR II

Vendor II contributed RMB4,989,600 and RMB2,488,200 to set up Target Company 1 and Target Company 2 respectively.

CLARIFICATION ON INFORMATION ON THE TARGET COMPANIES

The Company wishes to clarify that the financial information of the Target Companies for the two years ended 31 December 2024 and nine months ended 30 September 2025 based on its unaudited combined accounts is as follows:

	For the nine months ended 30 September	**For the year ended 31 December**	
	2025	**2024**	**2023**
	(RMB'000)	**(RMB '000)**	**(RMB '000)**
	(unaudited)	*(unaudited)*	*(unaudited)*
Total assets	245,043	182,681	260,982
Total liabilities	160,844	168,978	151,543
Net assets	84,198	13,702	109,439
Revenue	238,631	220,196	153,665
Profit/(loss) of the period/year before tax	44,862	20,632	(7,315)
Profit/(loss) of the period/year after tax	35,788	15,033	(5,938)

By order of the Board
Grand Pharmaceutical Group Limited
Chairman
Dr. Tang Weikun

Hong Kong, 3 February 2026

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Mr. Zhou Chao, Mr. Yang Guang and Ms. Lam Chit Yee Jessica, and four independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Xing Li Na, Dr. Pei Geng and Mr. Hu Yebi.

** For identification purpose only*