TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED
(Company Registration No. 91120000103100784F)
(Incorporated in People's Republic of China)

NOTIFICATION TO CREDITORS OF THE COMPANY IN RELATION TO THE 3RD REPURCHASE AND CANCELLATION OF THE RESTRICTED A-SHARES GRANTED UNDER THE SCHEME

The board of directors (the "Board") and every individual director of 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 refers to:

(1) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 7th Board meeting for the financial year ended 31 December 2019 ("**FY2019**");

(2) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 6th supervisory committee (the "**Supervisory Committee**") meeting for FY2019;

(3) the circular dated 15 November 2019 (the "**Circular**") to the shareholders of the Company (the "**Shareholders**") in relation to, amongst others, the proposed adoption of the 2019 Restricted A-Share Incentive Scheme (the "**Scheme**");

(4) the announcement dated 25 November 2019 made by the Company in relation to the explanatory statement of the Supervisory Committee on the verification of the list of participants (the "**List of Participants**") who have been proposed to participate in the Scheme and on the verification of the internal publication in respect of the List of Participants by the Company;

(5) the corrigendum announcement dated 27 November 2019 made by the Company;

(6) the announcement dated 2 December 2019 made by the Company in relation to the poll results of the extraordinary general meeting held on 2 December;

(7) the announcement dated 2 December 2019 made by the Company in relation to the self-examination report on the trading in the shares of the Company by the insiders in relation to the Scheme;

(8) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 10th Board meeting for FY2019;

(9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9th Supervisory Committee meeting for FY2019;

(10) the announcement dated 9 December 2019 made by the Company in relation to the proposed adjustments to the List of Participants proposed to participate in the Initial Grant

(the "**Adjusted Participants**") and the number of Initial Granted Restricted A-Shares (the "**Adjusted Initial Granted Restricted A-Shares**") under the Scheme;

(11) the announcement dated 9 December 2019 made by the Company in relation to the proposed grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme;

(12) the announcement dated 9 December 2019 made by the Company in relation to the list of the Adjusted Participants proposed to participate in the Initial Grant under the Scheme;

(13) the announcement dated 8 January 2020 made by the Company in relation to the results of the Initial Grant under the Scheme;

(14) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 2nd Board meeting for the financial year ending 31 December 2020 ("**FY2020**");

(15) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 1st Supervisory Committee meeting for FY2020;

(16) the announcement dated 17 February 2020 made by the Company in relation to the repurchase and cancellation of some of the Restricted A-Shares granted under the Scheme;

(17) the announcement dated 17 February 2020 made by the Company in respect of the notification to creditors of the Company in relation to the repurchase and cancellation of the Restricted A-Shares;

(18) the announcement dated 17 February 2020 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration;

(19) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 5th Board meeting for FY2020;

(20) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 4th Supervisory Committee meeting for FY2020;

(21) the announcement dated 6 July 2020 made by the Company in relation to the grant of the Reserved Restricted A-Shares to the Participants under the Scheme;

(22) the announcement dated 6 July 2020 made by the Company in relation to the list of participants proposed to participate in the grant of the Reserved Restricted A-Shares under the Scheme;

(23) the announcement dated 17 July 2020 made by the Company in relation to the explanatory statement of the Supervisory Committee on the verification of the list of participants (the "**2nd List of Participants**") proposed to participate in the grant of the Reserved Restricted A-Shares under the Scheme and on the verification of the internal publication in respect of the 2nd List of Participants;

(24) the announcement dated 28 July 2020 made by the Company in relation to the results of the Grant of Reserved Restricted A-Shares to the Participants under the Scheme;

(25) the announcement dated 14 August 2020 made by the Company in relation to the resolutions passed at the 6th Board meeting for FY2020;

(26) the announcement dated 14 August 2020 made by the Company in relation to the resolutions passed at the 5th Supervisory Committee meeting for FY2020;

(27) the announcement dated 14 August 2020 made by the Company in relation to the adjustment to the repurchase price of the Restricted A-Shares granted under the Scheme and the 2nd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements;

(28) the announcement dated 14 August 2020 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration;

(29) the announcement dated 14 August 2020 made by the Company in respect of the notification to creditors of the Company in relation to the 2nd repurchase and cancellation of the Restricted A-Shares granted under the Scheme;

(30) the circular dated 15 September 2020 (the "**2020 1st EGM Circular**") to the Shareholders of the Company in relation to, amongst others, the proposed amendments to the Articles of Associations of the Company and the application for changes in the industrial and commercial registration;

(31) the announcement dated 30 September 2020 made by the Company in relation to the poll results of the extraordinary general meeting held on 30 September 2020;

(32) the announcement dated 27 October 2020 made by the Company in relation to the update on the 1st Proposed Repurchase and the 2nd Proposed Repurchase;

(33) the announcement dated 17 May 2021 made by the Company in relation to the poll results of the annual general meeting for FY2020 held on 17 May 2021;

(34) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 6th Board meeting for the financial year ending 31 December 2021 ("**FY2021**") (the "**2021 6th Board Meeting Announcement**");

(35) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 3rd Supervisory Committee meeting for FY2021;

(36) the announcement dated 13 August 2021 made by the Company in relation to the 2nd adjustment to the repurchase price of the Restricted A-Shares granted under the Scheme and the 3rd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements (the "**3rd Repurchase Announcement**"); and

(37) the announcement dated 13 August 2021 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration.

Electronic copies of each of the aforementioned announcements, the Circular and the 2021 1st EGM Circular are available on the website of the Singapore Exchange Securities Trading Limited at https://www.sgx.com/.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular and the 2021 6th Board Meeting Announcement.

1. **Reason for Notification to the Creditors of the Company**

On 12 August 2021, the Company duly convened its 6th Board meeting and 3rd Supervisory Committee meeting for FY2021, and the Board and the Supervisory Committee considered and approved the proposed contents of the "2nd adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 3rd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements" (关于第二次调整公司 2019 年 A 股限制性股票激励计划回购价格并第三次回购注销已获授但尚未解除限售的限制性股票的议案).

In accordance with the relevant provisions of the "2019 Restricted A-Share Incentive Scheme" (2019 年 A 股限制性股票计划) and the "Assessment Management Measures for Implementation of the 2019 Restricted A-Share Incentive Scheme" (2019 年 A 股限制性股票激励计划实施考核管理办法), as five of the participants who have been granted the Restricted A-Shares under the Initial Grant are no longer eligible to participate in the Scheme (the "**Five Participants**"), of which, three are due to retirement and two (including the former Deputy General Manager, Mr. Ni Zhenguo) are due to their resignation from the Company because of job changes, the Company proposes to repurchase and cancel all of the 200,000 Restricted A-Shares granted to the Five Participants but not yet released from the lock-up requirements under the Scheme (the "**3rd Proposed Repurchase**"). The 200,000 Restricted A-Shares to be repurchased and cancelled under the 3rd Proposed Repurchase represents 0.026% of the total share capital of the Company as at the date of this announcement. The repurchase price of the 3rd Proposed Repurchase shall be RMB6.60 per Restricted A-Share plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing, which shall be paid by the Company with its own funds. Please refer to the 3rd Repurchase Announcement for further details.

Upon completion of the 3rd Proposed Repurchase, the total number of shares in the capital of the Company will be reduced from 773,643,076 shares to 773,443,076 shares, and the registered capital of the Company will also be reduced from RMB773,643,076 to RMB773,443,076. The Company shall perform the corresponding capital reduction procedures pursuant to the applicable laws upon completion of the 3rd Proposed Repurchase.

2. Information to be known by the Creditors of the Company

As the registered capital of the Company will be reduced as a result of the 2nd Proposed Adjustment and the 3rd Proposed Repurchase, in accordance with the provisions of the relevant laws and regulations including the *Company Law of the People's Republic of China (*《中华人民共和国公司法》 (the "**Company Law**"*),* the Company hereby notifies the creditors of the Company that they shall, within 30 days from the date of receiving the notice from the Company, or within 45 days from the date of this announcement in the case of failing to receive a notice from the Company, be entitled to demand the Company to pay off its debts or to provide corresponding guarantees. In the event that the creditors of the Company fail to exercise the aforesaid rights within the prescribed time limit, the 2nd Proposed Adjustment and the 3rd Proposed Repurchase shall continue to be implemented according to legal procedures. In the event that the creditors of the Company demand that the Company pays off its debts or provides corresponding guarantees, they shall submit a written request to the Company together with the relevant supporting documents, in accordance with the provisions of the relevant laws and regulations, including the Company Law.

Materials required for declaration of creditor's rights: the creditors of the Company can declare their respective rights by presenting the original copies and photocopies of the

contracts, agreements and other documents evidencing the existence of the debtor-creditor relationship. Where the creditor is a legal person, the original copies and photocopies of the business license of the legal person and the identity document of the legal representative of such legal person shall also be presented; where the declaration is made by an entrusted party, in addition to the aforesaid documents, the original copies and photocopies of the authorisation of the legal representative and the valid identity document of the agent shall also be presented. If the creditor is a natural person, the original copy and photocopy of the valid identity document shall be presented; where the declaration is made by an entrusted party, in addition to the aforesaid documents, the original copies and photocopies of the authorisation and the valid identity document of the agent shall also be presented.

The details for the declaration of creditor's right are as follows:

(1) Declaration location: Level 8, Zhongxin Mansion, #17 Baidi Road, Nankai District, Tianjin, the PRC

(2) Declaration period: 8:30 a.m. - 5:00 p.m. from 15 August 2021 to 28 September 2021

(3) Contact person: Jiang Ling and Wang Jian

(4) Telephone: 022-27020892

(5) Fax: 022-27020292

By order of the Board

Jiao Yan
Secretary to the Board of Directors
13 August 2021