
TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

(I) RESOLUTIONS PASSED AT THE 3RD BOARD MEETING FOR FY2020

(II) NOTICE OF ANNUAL GENERAL MEETING FOR FY2019

The board of directors (the "Board") and every individual director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Company", together with its subsidiaries, the "Group") 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.

(I) Resolutions Passed at the 3rd Board Meeting for FY2020

The Company had on 17 April 2020 duly convened its 3rd Board Meeting for the financial year ending 31 December 2020 ("FY2020") by means of live meeting and telephone conference.

The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company, and the following resolutions were discussed and passed by the 8 directors out of the full board of 8 directors:

1. that the Chairman's Report for the financial year ended 31 December 2019 ("FY2019") be approved;
2. that the Board of Directors' Report for FY2019 be approved;
3. that the full text and summary of the draft annual report for FY2019 prepared in accordance with the accounting standards of the People's Republic of China (the "PRC") and the International Financial Reporting Standards be approved;

The Board and management of the Company confirmed that as far as they are aware, the contents of the aforesaid draft annual report are fair and accurate in all material respects, and that there are no material facts the omission of which would make the aforesaid draft annual report misleading.

4. that the Company's audited financial report for FY2019 be approved;
5. that the scheme of profit distribution policy of the Company for FY2019 be approved;

Based on the audited financial report for FY2019 prepared by ShineWing Certified Public Accountants LLP in accordance with the PRC accounting standards, the Company's net profit for FY2019 is RMB624,334,330.33, and the Company's undistributed profits at the beginning of FY2019 is RMB2,313,848,046.92. Pursuant to the Articles of Association of the Company,

an aggregate amount of RMB1,965,000 shall be recorded into the Company's statutory common reserve account. The Company has distributed a dividend of an aggregate amount of RMB169,152,076.72 for the financial year ended 31 December 2018. In light of the above, the accumulated distributable profit of the Company for FY2019 is RMB2,767,065,300.53.

The Board proposed to declare dividends on the basis of RMB3.0 (inclusive of taxes) for every 10 shares in the capital of the Company. Upon obtaining the shareholders' approval, the proposed dividend is payable in respect of all issued ordinary shares in the capital of the Company as at 31 December 2019.

6. that the Company's "Report on the Social Responsibilities for FY2019" be approved;
7. that the Company's "Self-evaluation Report on the Internal Controls for FY2019" be approved;
8. that the "Report from Independent Directors for FY2019" be approved;
9. that the "Report on Performance from Audit Committee for FY2019" be approved;
10. that the "Report on the Deposit of Proceeds and the Use of Net Proceeds for FY2019" be approved;
11. that the remuneration of S\$60,000 for independent director Mr. Timothy Chen Teck-Leng for FY2019 be approved;
12. that the remuneration of S\$36,700 for independent director Mr. Wong Gang for FY2019 (specifically, for the period from May 2019 to December 2019) be approved;
13. that the remuneration of S\$22,900 for independent director Mr. Toe Teow Heng for FY2019 (specifically, for the period from January 2019 to May 2019) be approved;
14. that the remuneration of RMB60,000 for independent director Mr. Qiang Zhiyuan for FY2019 be approved;
15. that the aggregate remuneration for directors of Company for FY2019 be approved;
16. that the aggregate remuneration for senior management personnel (excluding directors and members of supervisory committee) for FY2019 be approved;
17. that the appointment of Mr. Liew Yoke Pheng Joseph as independent director of the Company be approved;

Mr. Liew Yoke Pheng Joseph, born in May 1956, is a Singaporean. He graduated from Nanyang University, Singapore with a Bachelor of Commerce (Accountancy). Mr. Liew obtained his Singapore Certified Public Accountant (CPA) qualification in 1983 and became a Certified Information Systems Auditor (CISA) in 1992. He also obtained his Certified Fraud Examiner (CFE) qualification in 1998. Mr. Liew has been a fellow of the Association of Chartered Certified Accountants (ACCA) since 2006 and a fellow of the Institute of Singapore Chartered Accountants (ISCA) since 2013. He is also a member of the Singapore Institute of Directors. He is fluent in Mandarin, Cantonese and English.

Mr. Liew has extensive experience in corporate strategy management, and in particular, is a professional in the fields of information technology, corporate governance, finance and accounting. He has held senior management positions in many large multinational companies in the PRC and Singapore. Currently, Mr. Liew is the Executive Director and Chief Executive Officer of Hoe Leong Corporation LTD. (listed on SGX Mainboard), the Lead Independent Director and Chairman of the Audit Committee of Grand Venture Technology Limited (listed on SGX Catalyst) and a director of Lew Foundation and Char Yong Foundation.

18. That, the proposed appointment of Ms. Li Yan as director of the Company be approved;

Ms. Li Yan, born in July 1969, graduated from the School of Traditional Chinese Medicine of China Pharmaceutical University, majoring in Identification of Traditional Chinese Medicine. She holds a Master's degree in Business Administration, is a senior engineer and licensed pharmacist. From July 1992 to April 2004, she successively held the positions as Technical Cadre, Deputy Head of the Quality Department, Deputy Director of the Factory Director's Office, Director of the International Pharmaceutical Exchange Department, Director of the Planning Department, Director of the Factory Director's Office, Assistant to the Factory Director, and Deputy Factory Director of Company's Le Ren Tang Pharmaceutical Factory. From April 2004 to April 2008, she was appointed as Deputy Director of the Industrial Management Department and Director of the Economic Operation Department of the Company. From November 2007 to May 2008, Ms. Li served as Secretary of the Party Committee and Deputy General Manager of the Pharmaceutical Marketing Company of the Company. From May 2008 to October 2009, she was appointed as Deputy Director of the Economic Coordination Department of Tianjin Pharmaceutical Holdings Co., Ltd. From October 2009 to July 2012, Ms. Li was Executive Deputy General Manager of Tianjin Lisheng Pharmaceutical Co., Ltd. ("**Tianjin Lisheng**"). From July 2012 to June 2017, she successively served as Secretary of the Party Committee, and Chairman and General Manager of Tianjin Taihe Pharmaceutical Co., Ltd. From November 2016 to May 2017, she re-joined Tianjin Lisheng and assumed role of Deputy General Manager. From May 2017 to January 2020, she was appointed as Deputy Secretary of the Party Committee and Chairman of the Labour Union of Tianjin Lisheng, while from October 2017 to February 2020, she was also appointed as Chairman of the Board of Supervisors of Tianjin Lisheng. From September 2018 to August 2019, she served as Vice Chairman of Tianjin Xinneitian Pharmaceutical Co., Ltd. From December 2017 to January 2020, she was a Director of Tianjin Ledun Traditional Chinese Medicine Co., Ltd. Ms. Li was appointed as General Manager of the Company on 17 February 2020.

19. that the proposed renewal of the shareholders' mandate for the interested person transactions be approved;
20. that the proposed financial services agreement to be entered into between the Company and Tianjin Pharmaceutical Group Finance Co., Ltd. as an interested person transaction and all transactions arising therefrom be approved;
21. that the proposed "Scheme on Return of Investment to Shareholders from 2020 to 2022" be approved;
22. that the proposed line of credit granted to the Company up to an aggregate limit of RMB6,250,000,000 be approved;

The Board approved a line of credit up to an aggregate limit of RMB6,250,000,000 granted to the Company and proposed to seek a mandate from the shareholders at the general meeting of the Company to empower the management of the Company to handle the relevant specific matters in relation to the loan within the line of credit according to the actual operation needs of the Company.

The Company has received line of credit from the following banks:

No.	Name of the Bank	Line of Credit (RMB'000,000)	Maturity Term
1.	Tianjin Branch, Industrial and Commercial Bank of China (中国工商银行股份有限公司天津分行)	400	1 year
2.	Nankai Sub-branch, Tianjin, Bank of China (中国银行股份有限公司天津南开支行)	450	1 year
3.	Hebei Sub-branch, Tianjin, China Construction Bank (中国建设银行股份有限公司天津河北支行)	530	2 years
4.	Tianjin Port Free Trade Zone Sub-Branch, Agricultural Bank of China (中国农业银行股份有限公司天津港保税区支行)	300	1 year
5.	Tianjin Branch, Export-Import Bank of China(中国进出口银行天津分行)	450	1 year
6.	Tianjin Branch, Merchants Bank of China (招商银行股份有限公司天津分行)	300	1 year
7.	Tianjin Branch, China Bohai Bank(渤海银行股份有限公司天津分行)	800	1 year
8.	Tianjin Branch, China Zheshang Bank (浙商银行股份有限公司天津分行)	500	1 year
9.	Tianjin Branch, China Everbright Bank Co.,Ltd. (中国光大银行股份有限公司天津分行)	100	1 year
10.	Tianjin Sub-Branch, China CITIC Bank (中信银行股份有限公司天津支行)	200	1 year
11.	Tianjin Branch, China Minsheng Bank (中国民生银行股份有限公司天津分行)	200	1 year
12.	Tianjin Branch, Industrial Bank Co., Ltd., 兴业银行股份有限公司天津分行	600	1 year
13.	Tianjin Branch, Ping An Bank(平安银行股份有限公司天津分行)	300	1 year
14.	Tianjin Heping Sub-Branch, Bank of Beijing (北京银行股份有限公司天津和平支行)	200	2 years
15.	Nanmenwai Sub-Branch, Tianjin, Hua Xia Bank Co., Ltd.(华夏银行股份有限公司天津南门外支行)	200	1 year
16.	Tianjin Branch, Standard Chartered Bank (China) Limited (渣打银行(中国)有限公司天津分行)	300	1 year

17.	Tianjin Branch, OCBC China (华侨银行 (中国) 有限公司天津分行)	100	1 year
18.	Tianjin Branch, Fubang Huayi Bank (富邦华一银行有限公司天津分行)	120	1 year
19.	Tianjin Branch, Bank of Hebei (河北银行股份有限公司天津分行)	200	1 year
	Total	6,250	

23. that the proposed re-appointment of ShineWing Certified Public Accountants LLP as PRC auditors of the Company for FY2020, re-appointment of RSM Chio Lim LLP as international auditors of the Company for FY2020, and to propose for the shareholders of the Company at the general meeting to authorise the Board to determine their remuneration, be approved;

24. That the proposed use of self-owned funds of no more than RMB280 million by the Company for cash management be approved;

In order to enhance the efficiency of the use of self-owned funds by the Company and provided that the safety and usage of funds of the Company will not be affected, the Board has approved that the Company may, according to the actual needs of the Company, use its temporarily idle self-owned funds up to an amount not exceeding RMB280 million (which accounted for approximately 5.20% of the Company's latest audited net asset value for FY2019) for cash management so as to increase capital gains and seek better returns on investment for the Company and its shareholders. The term of the investment products under the cash management shall not exceed 12 months from the date of approval by the Board, and the funds can used on a rolling basis within the above-mentioned limit.

25. that proposed establishment of the Engineering Management Department be approved;

The main function of the Engineering Management Department is to be responsible for the organization, coordination, guidance, implementation, inspection and assessment of the construction projects with a total value of not less than RMB10 million for the Company and its subsidiaries and branches, and to supervise the organization and implementation of construction projects with a total value of less than RMB10 million for the Company and its subsidiaries and branches.

26. that the proposed Company's 2019 asset impairment allowance and reversal proposal use, be approved:

- (1) bad debts allowance of RMB136.8 million and write-back bad debts allowance of RMB14.1 million;
- (2) inventory impairment allowance of RMB263.8 million and write-back inventory impairment allowance of RMB63.4 million; and
- (3) write-back property, plant and equipment impairment allowance of RMB24.98 million .

27. that the proposed convening of the annual general meeting for FY2019 be approved.

The above resolutions No. 1 and No. 2, resolutions No. 4 and No. 5, resolutions No. 11 to No. 15, and resolutions No. 17 to No. 23 shall be tabled for shareholders' approval at the annual general meeting for FY2019 to be convened.

Mr. Tang Tiejun and Mr. Zhang Ping who are interested in resolutions No. 19 and No. 20, being the interested directors, have abstained from voting on these two resolutions.

Certain directors, being personally interested in the relevant resolutions for approval of their respective remuneration, have duly abstained from voting on the respective resolutions at the Board meeting.

(II) Notice of Annual General Meeting for FY2019

Pursuant to the Companies Law and the Articles of Association of the Company, the Board proposes to convene the annual general meeting for FY2019 at the meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China 300193 on 5 June 2020 at 1:30 p.m.. Concurrently, a video conferencing for holders of "S" shares will be held at Pinnacle Suite, Wangz Business Centre, 7 Temasek Blvd, #44-01, The Penthouse Suntec Tower 1, Singapore 038987.

The agenda for the meeting shall be as follows:

1. To consider and approve the Chairman's Report for FY2019; (Resolution 1)
2. To consider and approve the Board of Directors' Report for FY2019; (Resolution 2)
3. To consider and approve the Supervisory Committee's Report for FY2019; (Resolution 3)
4. To consider and approve the Financial Report and Audit Report for FY2019 audited by ShineWing Certified Public Accountants LLP and RSM Chio Lim LLP and reviewed by the Audit Committee of the Company; (Resolution 4)
5. To consider and approve the scheme of profit distribution policy of the Company for FY2019; (Resolution 5)
6. To consider and approve the remuneration of S\$60,000 for independent director Mr. Timothy Chen Teck-Leng for FY2019; (Resolution 6)
7. To consider and approve the remuneration of S\$36,700 for independent director Mr. Wong Gang for FY2019 (specifically, for the period from May 2019 to December 2019); (Resolution 7)
8. To consider and approve the remuneration of S\$22,900 for independent director Mr. Toe Teow Heng for FY2019 (specifically, for the period from January 2019 to May 2019); (Resolution 8)
9. To consider and approve the remuneration of RMB60,000 for independent director Mr. Qiang Zhi Yuan for FY2019; (Resolution 9)

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10. To consider and approve the aggregate remuneration for directors of the Company for FY2019; (Resolution 10)
 11. To consider and approve the aggregate remuneration for members of the Supervisory Committee for FY2019; (Resolution 11)
 12. To consider and approve the appointment of Mr. Liew Yoke Pheng Joseph as independent director of the Company; (Resolution 12)
 13. To consider and approve the appointment of Ms. Li Yan as director of the Company be approved; (Resolution 13)
 14. To consider and approve the renewal of the shareholders' mandate for the interested person transactions; (Resolution 14)
 15. To consider and approve the proposed financial services agreement to be entered into between the Company and Tianjin Pharmaceutical Group Finance Co., Ltd. as an interested person transaction and all transactions arising therefrom; (Resolution 15)
 16. To consider and approve the proposed "Scheme on Return of Investment to Shareholders from 2020 to 2022"; (Resolution 16)
 17. To consider and approve the proposed line of credit granted to the Company up to an aggregate limit of RMB6,250,000,000; and (Resolution 17)
 18. To consider and approve the proposed re-appointment of ShineWing Certified Public Accountants LLP as PRC auditors of the Company for FY2020, re-appointment of RSM Chio Lim LLP as international auditors of the Company for FY2020, and to authorise the Board to determine their remuneration. (Resolution 18)

Notes:

1. A holder of shares entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons (who need not also be shareholders) to act as their proxies to attend and vote on their behalf.

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

2. To be effective, the instrument appointing a proxy or proxies must be lodged at the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles' Place, #32-01 Singapore Land Tower, Singapore 048623 (in the case of a holder of "S" shares) no later than 1:30 p.m. on 3 June 2020.
3. A holder of "S" Shares who is planning to attend the Annual General Meeting must register with his or her identity card and share certificates, no later than 1:30 p.m. on 3 June 2020.

The Company is closely monitoring the 2019 Novel Coronavirus ("Covid-19") situation,

including any precautionary measures which may be required or recommended by government agencies to minimise the risk of the spread of the virus. In light of the evolving situation, it may be necessary to change the arrangements for this year's Annual General Meeting. The Company reserves the right to take such measures as appropriate in order to minimise any risk to the shareholders and others attending the Annual General Meeting. In the event such measures are adopted, the Company will make such announcements as appropriate.

4. Personal Data Privacy: By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.
5. Pursuant to the Company's Articles of Association, a holder of tradable domestic shares with limiting conditions for sale shall notify the Company in writing not less than 20 days prior to the Annual General Meeting of his or her intention to attend the Annual General Meeting. A holder of "S" share shall be registered in the shareholder name list or in the Depository Register 48 hours before the appointed time for holding the Annual General Meeting.
6. A holder of tradable domestic shares with limiting conditions for sale who is planning to attend the Annual General Meeting must give a written notice to the Company no later than 12 May 2020.
7. A holder of "S" Shares must be registered in the shareholder name list or in the Depository Register pursuant to his/her identity card and share certificates no later than 1:30 p.m. on 3 June 2020.
8. The Annual General Meeting is expected to last for half a day and all accommodation and other expenses incurred by a shareholder or his/her proxy in connection with his/her attendance at the Annual General Meeting shall be borne by that Shareholder.

MEASURES TO MINIMISE RISKS OF COMMUNITY SPREAD OF COVID-19

In view of the evolving Covid-19 situation, the Company reserves the right to take appropriate precautionary measures at the Annual General Meeting, including any precautionary measures that may be required or recommended by government agencies and/or the SGX-ST (where applicable), in order to minimise the risk of community spread of Covid-19. Such measures may include the following:

- (1) All persons attending the Annual General Meeting of the Company will be required

to undergo a temperature check and sign a health declaration form to provide the travel history on whether during the last 14 days he/she have been travelling to any country outside Singapore, prior the date of the Annual General Meeting of the Company. The health declaration form will be also be used for the purpose of contact tracing, if required.

- (2) Any person who has recent travel history or has been in contact with a suspected or confirmed COVID-19 patient, irrespective of nationality, during the said 14 days period will not be permitted to attend the Annual General Meeting of the Company.
- (3) Any person who has fever or exhibits flu-like symptoms will not be permitted to attend the Annual General Meeting of the Company.
- (4) There will be no food served at the Annual General Meeting of the Company.
- (5) Any shareholders who are feeling unwell on the date of the Annual General Meeting of the Company are advised not to attend the AGM of the Company, and any person who becomes unwell during the Annual General Meeting should leave immediately to seek appropriate medical attention.

Shareholders and other attendees are also advised to arrive at the venue of the Annual General Meeting of the Company early given that the above-mentioned measures may cause delay in the registration process.

In view of the COVID-19 situation, we wish to advise shareholders that it is not essential for you to attend the AGM of the Company in person. Shareholders should refrain from attending the AGM of the Company under the present circumstances as long as the DORSCON level remains at Orange, or higher.

To vote on any or all of the resolutions at the Annual General Meeting of the Company, you are encouraged to send in your votes in advance by proxy. You may appoint the Chairman of the AGM of the Company as your proxy. The proxy form is attached to the Notice of AGM.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate up to the day of the Annual General Meeting of the Company, according to the guidelines issued by MOH in order to minimise any risk to shareholders and others attending the Annual General Meeting of the Company. The Company seeks the understanding and cooperation of all shareholders to minimise the risk of community spread of the COVID-19.

The Company, the Group, their officers and employees shall have no liability whatsoever to shareholders, their proxies, corporate representatives or any other party arising out of or in connection with any of them being infected or suspected of being infected with COVID-19 or suffering any losses arising out of or in connection with attendance at the Annual General Meeting of the Company and/or the Company taking precautionary measures at the Company's discretion in response to the COVID-19 pandemic.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
17 April 2020