

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No.: 91120000103100784F)

(Incorporated in the People's Republic of China)

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**RESOLUTION PASSED AT THE 7<sup>TH</sup> BOARD MEETING FOR FY2021**

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*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 17 April 2020 made by the Company in relation to, amongst others, the resolutions passed at the 3<sup>rd</sup> Board meeting for the financial year ended 31 December 2020 ("FY2020") (the "2020 3<sup>rd</sup> Board Meeting Announcement"); and
- (2) the announcement dated 22 September 2020 made by the Company in relation to the resolution passed at the 7<sup>th</sup> Board meeting for FY2020 (the "2020 7<sup>th</sup> Board Meeting Announcement").

The Company had on 31 August 2021 duly convened its 7<sup>th</sup> board meeting for the financial year ending 31 December 2021 ("FY2021") by means of 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 resolution was discussed and passed by the 8 directors out of the full board of 8 directors:

1. That, the proposed continuing use of self-owned funds of no more than RMB500 million by the Company for cash management be approved.

On 17 April 2020, the Company duly convened its 3<sup>rd</sup> Board meeting for FY2020, and the Board approved the proposed use of self-owned funds by the Company of no more than RMB280 million for cash management. On 22 September 2020, the Company duly convened its 7<sup>th</sup> Board meeting for FY2020, and the Board approved the proposed adjustment to the utilisation limit of self-owned funds by the Company for cash management to RMB480 million and the term of the investment products under the cash management shall not exceed 12 months from the date of approval by the Board. Please refer to the 2020 3<sup>rd</sup> Board Meeting Announcement and the 2020 7<sup>th</sup> Board Meeting Announcement for further details. The aforementioned cash management period is about to expire.

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 considered and agreed 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 RMB500 million (which accounted for approximately 8.61% of the Company's latest audited net asset value for FY2020) 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 be used on a rolling basis within the above-mentioned limit.

**By order of the Board**

Jiao Yan  
Secretary to the Board of Directors  
31 August 2021