

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)

RESOLUTION PASSED AT THE 1ST SUPERVISORY COMMITTEE MEETING FOR FY2023

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” and 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.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the circular dated 15 November 2019 to the shareholders of the Company in relation to, amongst others, the proposed adoption of the 2019 Restricted A-Share Incentive Scheme (the “Scheme”).

The Company had, on 9 January 2023, duly convened its 1st supervisory committee (the “**Supervisory Committee**”) meeting for the financial year ending 31 December 2023 (“**FY2023**”) by means of telephone conference. The said meeting was convened in compliance with the Articles of Association of the Company, and the following resolution was discussed and passed by three (3) members out of the full Supervisory Committee of three (3) members:

1. That, the proposed contents of the “3rd adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 4th repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements” (关于第三次调整公司 2019 年 A 股限制性股票激励计划回购价格并第四次回购注销已获授但尚未解除限售的限制性股票的议案), be approved.

(i) Given that the Company has failed to meet the performance targets for releasing the Restricted A-Shares granted under the Scheme from the lock-up requirements for each of the first and second Release Period, the Company proposes to repurchase and cancel an aggregate of 2,673,000 Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme due to the said reason, and (ii) given that fourteen (14) of the Participants who have been granted the Restricted A-Shares are no longer eligible to participate in the Scheme (the “**Fourteen Participants**”), of which ten (10) are due to retirement and four (4) are due to their resignation from the Company because of job changes, the Company proposes to repurchase and cancel all of the 520,000 Restricted A-Shares granted to the Fourteen Participants but not yet released from the lock-up requirements under the Scheme (collectively, the “**4th Proposed Repurchase**”).

The Company also proposes to adjust the repurchase price of the Restricted A-Shares granted under the Initial Grant and the Grant of Reserved Restricted A-Shares to RMB6.10 per Restricted A-Share and RMB8.09 per Restricted A-Share respectively (the “**3rd Proposed Adjustment**”), taking into account the Company’s completion of the dividend distribution for the financial year ended 31 December 2021 (“**FY2021**”), 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).

The aggregate of 3,193,000 Restricted A-Shares to be repurchased and cancelled under the 4th Proposed Repurchase represents 0.41% of the total share capital of the Company as at the date of this announcement. Under the 4th Proposed Repurchase, the repurchase price of the Restricted A-Shares granted under the Initial Grant and the Grant of Reserved Restricted A-Shares shall be RMB6.10 per Restricted A-Share and RMB8.09 per Restricted A-Share respectively, plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing.

Upon completion of the 4th Proposed Repurchase, the total number of shares in the capital of the Company will be reduced from 773,443,076 shares to 770,250,076 shares, and the registered capital of the Company will also be reduced from RMB773,443,076 to RMB770,250,076. The Company shall perform the corresponding capital reduction procedures pursuant to the applicable laws upon completion of the 4th Proposed Repurchase. The 4th Proposed Repurchase will not affect the implementation of the Scheme.

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), the Supervisory Committee is of the view that the 3rd Proposed Adjustment and the 4th Proposed Repurchase are in compliance with applicable laws and regulations, and agrees to the 4th Proposed Repurchase in relation to the proposed repurchase and cancellation of an aggregate of 3,193,000 Restricted A-Shares and the 3rd Proposed Adjustment in relation to the proposed adjustment to the repurchase price in view of the Company’s completion of the dividend distribution for FY2021.

Please refer to the separate announcement dated 9 January 2023 made by the Company in relation to the 3rd Proposed Adjustment and the 4th Proposed Repurchase for further details.

By order of the Board

Jiao Yan
Secretary to the Board of Directors
10 January 2023