

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

EXPLANATORY STATEMENT OF THE SUPERVISORY COMMITTEE ON THE VERIFICATION OF THE LIST OF PARTICIPANTS UNDER THE 2019 RESTRICTED A-SHARE INCENTIVE SCHEME AND ON THE VERIFICATION OF THE INTERNAL PUBLICATION IN RESPECT OF THE LIST OF PARTICIPANTS

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 the announcement made by the Company on 16 October 2019 (the “**Announcement**”) in relation to the 2019 Restricted A-Share Incentive Scheme (the “**Scheme**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement, unless otherwise expressly stated or the context otherwise requires.

Pursuant to the requirements of relevant laws, regulations and normative documents 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 *Securities Law of the People's Republic of China* (《中华人民共和国证券法》) (the “**Securities Law**”), the *Administrative Measures on Share Incentives of Listed Companies* (《上市公司股权激励管理办法》) (the “**Administrative Measures**”), as well as the Articles of Association of the Company, the supervisory committee of the Company (the “**Supervisory Committee**”) has verified the list of participants (the “**List of Participants**”) who have been proposed to participate in the Scheme (the “**Participants**”) in the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) and the internal publication in respect of the List of Participants made by the Company, and has issued its explanatory statement below in relation to its verification results.

1. Internal publication in respect of the List of Participants

Pursuant to the Administrative Measures, the Supervisory Committee has verified the internal publication made by the Company in respect of the List of Participants, and the relevant details are as follows:

- (1) Publication content: names and designations of each of the Participants
- (2) Publication channel: through the Collaborative Management Systems (OA System) of the Company
- (3) Publication period: a period not less than 10 days from 1 November 2019 to 11 November 2019
- (4) Objections raised by Company's personnel: none

2. Documents and/or information verified by the Supervisory Committee

The documents and/or information verified by the Supervisory Committee including the List of Participants, the identification document of each of the Participants, the labour or employment contract entered into between each of the Participants and the Company (or the subsidiaries controlled by the Company) and those in respect of the designations held by each of the Participants.

3. Verification opinions of the Supervisory Committee

In accordance with the Administrative Measures and the Articles of Association of the Company, and taking into account the verification results, the Supervisory Committee is of the view that:

- (1) each of the Participants in the List of Participants satisfies the requirements or conditions as stipulated in the “2019 Restricted A-Share Incentive Scheme and its summary” (2019年A股限制性股票计划及其摘要), and the Participants do not include supervisors, non-executive directors and independent directors of the Company, nor shareholders of the Company who, individually or collectively, hold 5% or more of the shares of the Company or de facto controller(s) of the Company and their respective spouses, parents and children.
- (2) the information in relation to each of the Participants are true, and nothing has come to the attention of the Supervisory Committee which may render such information provided false or misleading in any material aspect, or indicate that any material information has been deliberately omitted.
- (3) the Participants are all existing directors (excluding non-executive directors and independent directors), members of senior management, members of management team that the Board considers should be motivated, leading-level scientific research experts, core personnel for scientific research and technology and members of core management team of the subordinate enterprises of the Company (excluding the Company’s associated companies), and each of them satisfies the requirements in respect of their respective designations as stipulated in relevant laws, regulations and normative documents including the Company Law as well as the Articles of Association of the Company.
- (4) none of the following circumstances has occurred to any of the Participants which would preclude him/her from being an eligible Participant as stipulated in the Administrative Measures:
 - (a) he/she has been deemed as an inappropriate candidate by the Shanghai Stock Exchange in the past 12 months;
 - (b) he/she has been deemed as an inappropriate candidate by the China Securities Regulatory Commission (the “CSRC”) and/or any of its local bureaus in the past 12 months;
 - (c) he/she has been imposed with administrative penalties or prohibited from entry into the securities market by the CSRC and/or any of its local bureaus due to material violations of laws and regulations in the past 12 months;

- (d) he/she has been prohibited from acting as a director or a member of the senior management of a company under the Company Law;
 - (e) he/she has been prohibited by laws and regulations from participating in any share incentive scheme of listed companies; or
 - (f) any other circumstances as determined by the CSRC.
- (5) none of the Participants participates in share incentive schemes of two or more listed companies.
- (6) there is no other circumstances which has occurred to any of the Participants which would prohibit him/her from participating in any share incentive scheme.

In conclusion, the Supervisory Committee is of the view that each of the Participants in the List of Participants satisfies the qualification requirements of their respective designations as stipulated in relevant laws, regulations and normative documents including the Company Law as well as the Articles of Association of the Company, fulfils the conditions under the Administrative Measures and falls within the scope of participants to be covered under the “2019 Restricted A-Share Incentive Scheme and its summary” (2019年A股限制性股票计划及其摘要). The subject qualification of each of the Participants is legal and valid.

By order of the Board
25 November 2019