

Resolutions Passed at the 10th Board Meeting for FY2019

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 ending 31 December 2019 (“**FY2019**”) (the “**7th Board Meeting Announcement**”);
- (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 (the “**6th Supervisory Committee Meeting Announcement**”);
- (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 (the “**Explanatory Statement Announcement**”);
- (5) the corrigendum announcement dated 27 November 2019 made by the Company (the “**Corrigendum Announcement**”);
- (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 2019 (the “**EGM Results Announcement**”); and
- (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 (the “**Self-examination Report Announcement**”).

Electronic copies of each of the 7th Board Meeting Announcement, the 6th Supervisory Committee Meeting Announcement, the Explanatory Statement Announcement, the Corrigendum Announcement, the EGM Results Announcement, the Self-examination Report Announcement and the Circular are available on the website of the Singapore Exchange Securities Trading Limited at <https://www2.sgx.com/>.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular.

The Company had on 9 December 2019 duly convened its 10th board meeting for FY2019. 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 9 directors out of the full board of 9 directors:

1. That, the proposed contents of the “Adjustments to the List of Participants proposed to participate in the initial grant of the Initial Granted Restricted A-Shares and the number of Initial Granted Restricted A-Shares to be granted to them under the Scheme” (关于调整公司 2019 年 A 股限制性股票激励计划首次授予激励对象名单及授予权益数量的议案) be approved.

2 of the 117 Participants originally planned to participate in the initial grant of the Initial Granted Restricted A-Shares under the Scheme are no longer eligible to participate in the Scheme due to their retirement and/or job transfer (the “**Disqualified Participants**”). The Disqualified Participants have waived their respective rights to subscribe for the Restricted A-Shares proposed to be granted to them initially by the Company, being an aggregate amount of 80,000 Restricted A-Shares. Accordingly, the Board has resolved to make adjustments to the List of Participants proposed to participate in the Scheme initially (the “**Adjusted Participants**”) and the number of Initial Granted Restricted A-Shares (the “**Adjusted Initial Granted Restricted A-Shares**”).

Mr. Li Liqun, Ms. Yu Hong, Mr. Wang Mai and Mr. Zhou Hong who are proposed to participate in the Scheme, being interested directors, have abstained from voting on this resolution.

Mr. Timothy Chen Teck Leng, Mr. Wong Gang and Mr. Qiang Zhiyuan, being the independent directors of the Company (the “**Independent Directors**”), have given their independent opinions, and they are of the view that:

- (1) the proposed adjustments to the List of Participants and the number of Initial Granted Restricted A-Shares to be granted under the Scheme (the “**Proposed Adjustments**”) are in compliance with the relevant provisions in respect of such adjustments as stipulated in the relevant laws, regulations and normative documents including 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 “2019 Restricted A-Share Incentive Scheme”; (2019 年 A 股限制性股票计划);
- (2) each of the Adjusted Participants satisfies the requirements or conditions as an eligible participant to participate in the Scheme as stipulated in the relevant laws, regulations and normative documents including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划), and the subject qualification of each of them is legal and valid;
- (3) the Proposed Adjustments are within the scope of the Authorisation granted to the Board by the Shareholders at the 2nd extraordinary general meeting of the Company in 2019 (the “**2nd EGM**”), the procedures of the Proposed Adjustments are in compliance with applicable laws and regulations, and the Proposed Adjustments would not prejudice the interests of the Company and the Shareholders as a whole; and the Independent Directors agree with the Proposed Adjustments; and
- (4) each of the Adjusted Participants proposed to be granted the Restricted A-Shares satisfies the requirements in respect of their respective subject qualification as stipulated in the 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**”) and the Administrative Measures, as well as the Articles of Association

of the Company and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划), and falls within the prescribed categories of personnel who are eligible to participate in the Scheme under the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划), and the subject qualification of each of the Adjusted Participants is legal and valid.

2. That, the proposed contents of the “Grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象首次授予限制性股票的议案) be approved.

In accordance with the relevant provisions of the relevant laws and regulations as well as the Scheme, the Board is of the view that the conditions for granting the Restricted A-Shares as stipulated under the Scheme have been satisfied. The Board has determined that the date for granting the Adjusted Initial Granted Restricted A-Shares shall be 9 December 2019 (the “**Initial Grant Date**”), and a total number of 3,930,000 Adjusted Initial Granted Restricted A-Shares shall be granted to the 115 Adjusted Participants at the Grant Price of RMB 7.20 for each Restricted A-Share (the “**Initial Grant**”).

Mr. Li Liqun, Ms. Yu Hong, Mr. Wang Mai and Mr. Zhou Hong who are proposed to participate in the Scheme, being interested directors, have abstained from voting on this resolution.

Mr. Timothy Chen Teck Leng, Mr. Wong Gang and Mr. Qiang Zhiyuan, being the Independent Directors, have given their independent opinions, and they are of the view that:

- (1) the determination of the Initial Grant Date is in compliance with the relevant provisions in respect of the grant date as stipulated in the relevant laws, regulations and normative documents including the Administrative Measures and the listing rules of the Shanghai Stock Exchange, as well as the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划); and the Independent Directors agree with the Initial Grant Date being 9 December 2019; and
- (2) the Company and the Adjusted Participants are not subject to any circumstances where grant of Restricted A-Shares to the Adjusted Participants is prohibited; the conditions for granting the Restricted A-Shares to the Adjusted Participants as stipulated under the Scheme have been satisfied; and the Independent Directors agree with the proposed Initial Grant.

OPINIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company has verified relevant matters relating to the Proposed Adjustments and the Initial Grant, and is of the view that:

1. the Proposed Adjustments are in compliance with the relevant provisions in respect of such adjustments as stipulated in the relevant laws, regulations and normative documents including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划); and each of the Adjusted Participants satisfies the requirements or conditions as an eligible participant to participate in the Scheme as stipulated under the relevant laws, regulations and normative documents, and the subject qualification of each of them is legal and valid;
2. the Proposed Adjustments are within the scope of the Authorisation granted to the Board by the Shareholders at the 2nd EGM, the procedures of the Proposed Adjustments are in compliance with

applicable laws and regulations, and the Proposed Adjustments would not prejudice the interests of the Company and the Shareholders as a whole; the Proposed Adjustments will not have a material impact on the financial status and operating results of the Company; and the Supervisory Committee agree with the Proposed Adjustments;

3. each of the Adjusted Participants falls within the scope of the eligible participants to be granted the Restricted A-Shares under the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) as considered and approved by the Shareholders at the 2nd EGM, satisfies the requirements in respect of their respective subject qualification as stipulated in the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures, as well as the Articles of Association of the Company; none of the Adjusted Participants is involved in any circumstances where he/she would be prohibited from being an eligible participant under the Scheme as stipulated in the Administrative Measures; the Adjusted Participants do not include independent directors, non-executive directors and supervisors of the Company, nor any shareholder 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; and the subject qualification of each of the Adjusted Participants is legal and valid, and satisfies the conditions for granting the Restricted A-Shares;
4. the Company and the Adjusted Participants are not subject to any circumstances where grant of Restricted A-Shares to the Adjusted Participants is prohibited; and the conditions for the Initial Grant as stipulated under the Scheme have been satisfied;
5. the Company is not involved in any plans or arrangements for providing loans, guarantee for loans or providing financial assistance in any other forms, to the Adjusted Participants;
6. the determination of the Initial Grant Date is in compliance with the relevant provisions in respect of the grant date as stipulated in the relevant laws and regulations including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and the Supervisory Committee agrees with the Initial Grant Date, being 9 December 2019, and the Initial Grant; and
7. in conclusion, the Supervisory Committee is of the view that the Proposed Adjustments is in compliance with the relevant provisions of the relevant laws and regulations including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); the Proposed Adjustments would not prejudice the interests of the Company and the Shareholders as a whole; and the Supervisory Committee agrees with the Proposed Adjustments, the Initial Grant Date and the Initial Grant.

OPINIONS FROM THE COMPANY’S INDEPENDENT FINANCIAL ADVISER AND LEGAL ADVISER

CITIC Securities Co., Ltd. (中信证券股份有限公司) and Xing Tong Law Firm (行通律师事务所) have been respectively appointed by the Company as the independent financial adviser (the “**Independent Financial Adviser**”) and the legal adviser (the “**Legal Adviser**”) for the Scheme, and have issued their respective professional opinions on the Proposed Adjustments and the Initial Grant as follows:

The Independent Financial Adviser is of the view that:

1. as at the date of issuance of its report, the requisite approvals and authorisations for the Initial Grant have been obtained, and the Initial Grant is in compliance with the relevant provisions of the Administrative Measures and the Scheme;

2. as at the date of issuance of its report, the Company and the Adjusted Participants are not subject to any circumstances where grant of Restricted A-Shares to any of the Adjusted Participants is prohibited; and the conditions for the Initial Grant as stipulated under the Scheme have been satisfied; and
3. in summary, as at the date of issuance of its report, the Independent Financial Adviser is of the opinion that the requisite authorisations and approvals at the current stage for the relevant matters in relation to the Initial Grant have been obtained; the determination of the Initial Grant Date, the Grant Price, the exercise price, the Adjusted Participants and the allocation of incentive proportion are in compliance with the relevant provisions of the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures, as well as the Articles of Association of the Company and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and the Company satisfies the conditions for the Initial Grant.

The Legal Adviser is of the view that:

1. as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the Proposed Adjustments and the Initial Grant have been obtained, and the Proposed Adjustments and the Initial Grant are in compliance with the relevant provisions of the relevant laws and regulations including the Administrative Measures, as well as the Articles of Association of the Company and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划);
2. the Proposed Adjustments are in compliance with the relevant provisions of the Administrative Measures, the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) and the Articles of Association of the Company;
3. the Company has undertaken the requisite procedures for the purpose of determining the Initial Grant Date, which is in compliance with the relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划);
4. each of the Adjusted Participants has satisfied the relevant provisions as stipulated in the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划);
5. the conditions for the Initial Grant as stipulated under the Scheme have been satisfied, and the implementation of the Initial Grant by the Company is in compliance with the relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and
6. in summary, as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the Proposed Adjustments and the Initial Grant have been obtained; the Proposed Adjustments, the Initial Grant Date and the Adjusted Participants are in compliance with the relevant provisions of the Administrative Measures as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); the conditions for the Initial Grant as stipulated under the Scheme have been satisfied; the implementation of the Initial Grant by the Company is in compliance with the relevant provisions of the Administrative Measures as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and the Initial Grant is still subject to the fulfilment of disclosure obligations and the completion of relevant procedures including the registration of the Restricted A-Shares granted under the Scheme in accordance with laws and regulations.

By order of the Board
9 December 2019