

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

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**RESOLUTIONS PASSED AT THE 5<sup>TH</sup> SUPERVISORY COMMITTEE MEETING FOR FY2020**

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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.*

*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 (the "Shareholders") in relation to, amongst others, the proposed adoption of the 2019 Restricted A-Share Incentive Scheme (the "Scheme").*

The Company had on 3 August 2020 issued a notice of supervisory committee (the "Supervisory Committee") meeting to its supervisors in respect of the 5<sup>th</sup> Supervisory Committee meeting for the financial year ending 31 December 2020 ("FY2020"), and the 5<sup>th</sup> Supervisory Committee meeting was duly convened by means of telephone conference on 13 August 2020. The said meeting was convened in compliance with the Articles of Association of the Company, and the following resolution was discussed and passed by 3 members out of the full Supervisory Committee of 3 members:

1. That, the Supervisory Committee has verified the contents of the Company's half yearly financial statement for FY2020, and is if the view that:
  - (a) the preparation and review procedures of the Company's half yearly financial statements for FY2020 are in compliance with the relevant provisions of the applicable laws and regulations, as well as the Articles of Association and the internal management system of the Company;
  - (b) the content and form of the Company's half yearly financial statements for FY2020 are in compliance with various regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange and/or Singapore Exchange Securities Trading Limited, and the information contained therein truthfully reflects the operation, management and financial conditions of the Company and other related matters in the current period in all respects; and
  - (c) as at the time of giving its opinion, it is not aware that any of the personnel who participated in the preparation and review of the Company's half yearly financial statement for FY2020 has been found to have violated his/her confidentiality obligations.
2. That, the half yearly "Report on the Deposit of Proceeds and the Use of Proceeds (募集资金存放与实际使用情况的专项报告)" for FY2020 be approved.

3. That, the proposed contents of the “Adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 2<sup>nd</sup> repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements” (关于调整公司 2019 年 A 股限制性股票激励计划回购价格并第二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.

As one of the participants of the Scheme is no longer eligible to participate in the Scheme due to such participant’s resignation from the Company, the Board proposes to repurchase and cancel all of the 30,000 Restricted A-Shares granted to such participant but not yet released from the lock-up requirements under the Scheme (the “**2<sup>nd</sup> Proposed Repurchase**”) 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 30,000 Restricted A-Shares to be repurchased and cancelled under the 2<sup>nd</sup> Proposed Repurchase represents 0.004% of the total share capital of the Company as at the date of this announcement. As the Company has completed the dividend distribution for the financial year ended 31 December 2019 (“**FY2019**”), the repurchase price of the 2<sup>nd</sup> Proposed Repurchase shall be adjusted to RMB 6.90 per Restricted A-Share plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing.

Upon completion of the 1<sup>st</sup> Proposed Repurchase (as defined herein) and the 2<sup>nd</sup> Proposed Repurchase, the total number of shares in the capital of the Company will be reduced to 773,643,076 shares, and the registered capital of the Company will also be reduced to RMB 773,643,076. The Company shall perform the corresponding capital reduction procedures pursuant to the applicable laws upon completion of the 2<sup>nd</sup> Proposed Repurchase. The 2<sup>nd</sup> Proposed Repurchase will not affect the implementation of the Scheme.

On 17 February 2020, the Company duly convened its 2<sup>nd</sup> Board meeting and 1<sup>st</sup> Supervisory Committee meeting for FY2020, and the Board and the Supervisory Committee considered and approved the proposed contents of the “Repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme” (关于回购注销公司 2019 年 A 股限制性股票激励计划中激励对象已获授但尚未解除限售的限制性股票的议案) (the “**1<sup>st</sup> Proposed Repurchase**”). The repurchase and cancellation procedures of the 1<sup>st</sup> Proposed Repurchase has not yet been completed. However, the Company has distributed cash dividends to the participants who have been granted the Restricted A-Shares under the Scheme in accordance with the scheme of profit distribution policy of the Company for FY2019. Therefore, the repurchase price of the 1<sup>st</sup> Proposed Repurchase shall also be adjusted to RMB 6.90 per Restricted A-Share.

In accordance with the relevant provisions of the 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 2<sup>nd</sup> Proposed Repurchase is in compliance with applicable laws and regulations, and agrees to the proposed repurchase and cancellation of all the Restricted A-Shares granted to the Participant who is no longer eligible to participate in the Scheme and whose Restricted A-Shares have not yet been released from the lock-up requirements under the Scheme, and the proposed adjustment to the repurchase price taking into consideration the completion of the dividend distribution for FY2019.

**By order of the Board**

Jiao Yan  
Company Secretary  
14 August 2020