

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

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**UPDATE ON THE 3<sup>RD</sup> PROPOSED REPURCHASE**

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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 16 October 2019 made by the Company in relation to the resolutions passed at the 7<sup>th</sup> Board meeting for the financial year ended 31 December 2019 (“**FY2019**”);
- (2) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 6<sup>th</sup> supervisory committee (the “**Supervisory Committee**”) meeting for FY2019;
- (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;
- (5) the corrigendum announcement dated 27 November 2019 made by the Company;
- (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;
- (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;
- (8) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 10<sup>th</sup> Board meeting for FY2019;
- (9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9<sup>th</sup> Supervisory Committee meeting for FY2019;
- (10) the announcement dated 9 December 2019 made by the Company in relation to the proposed adjustments to the List of Participants proposed to participate in the Initial Grant (the “**Adjusted Participants**”) and the number of Initial Granted Restricted A-Shares (the “**Adjusted Initial Granted Restricted A-Shares**”) under the Scheme;

- (11) the announcement dated 9 December 2019 made by the Company in relation to the proposed grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme;
- (12) the announcement dated 9 December 2019 made by the Company in relation to the list of the Adjusted Participants proposed to participate in the Initial Grant under the Scheme;
- (13) the announcement dated 8 January 2020 made by the Company in relation to the results of the Initial Grant under the Scheme;
- (14) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 2<sup>nd</sup> Board meeting for the financial year ending 31 December 2020 ("**FY2020**");
- (15) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 1<sup>st</sup> Supervisory Committee meeting for FY2020;
- (16) the announcement dated 17 February 2020 made by the Company in relation to the repurchase and cancellation of some of the Restricted A-Shares granted under the Scheme;
- (17) the announcement dated 17 February 2020 made by the Company in respect of the notification to creditors of the Company in relation to the repurchase and cancellation of the Restricted A-Shares;
- (18) the announcement dated 5 June 2020 made by the Company in relation to the poll results of the annual general meeting for FY2019 held on 5 June 2020;
- (19) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 5<sup>th</sup> Board meeting for FY2020;
- (20) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 4<sup>th</sup> Supervisory Committee meeting for FY2020;
- (21) the announcement dated 6 July 2020 made by the Company in relation to the grant of the Reserved Restricted A-Shares to the Participants under the Scheme;
- (22) the announcement dated 6 July 2020 made by the Company in relation to the list of participants proposed to participate in the grant of the Reserved Restricted A-Shares under the Scheme;
- (23) the announcement dated 17 July 2020 made by the Company in relation to the explanatory statement of the Supervisory Committee on the verification of the list of participants (the "**2<sup>nd</sup> List of Participants**") proposed to participate in the grant of the Reserved Restricted A-Shares under the Scheme and on the verification of the internal publication in respect of the 2<sup>nd</sup> List of Participants;
- (24) the announcement dated 28 July 2020 made by the Company in relation to the results of the Grant of Reserved Restricted A-Shares to the Participants under the Scheme;
- (25) the announcement dated 14 August 2020 made by the Company in relation to the resolutions passed at the 6<sup>th</sup> Board meeting for FY2020;
- (26) the announcement dated 14 August 2020 made by the Company in relation to the resolutions passed at the 5<sup>th</sup> Supervisory Committee meeting for FY2020;

- (27) the announcement dated 14 August 2020 made by the Company in relation to the adjustment to the repurchase price of the Restricted A-Shares granted under the 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;
- (28) the announcement dated 14 August 2020 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration;
- (29) the announcement dated 14 August 2020 made by the Company in respect of the notification to creditors of the Company in relation to the 2<sup>nd</sup> repurchase and cancellation of the Restricted A-Shares granted under the Scheme;
- (30) the circular dated 15 September 2020 (the “**2020 1<sup>st</sup> EGM Circular**”) to the Shareholders of the Company in relation to, amongst others, the proposed amendments to the Articles of Associations of the Company and the application for changes in the industrial and commercial registration;
- (31) the announcement dated 30 September 2020 made by the Company in relation to the poll results of the extraordinary general meeting held on 30 September 2020;
- (32) the announcement dated 27 October 2020 made by the Company in relation to the update on the 1<sup>st</sup> Proposed Repurchase and the 2<sup>nd</sup> Proposed Repurchase;
- (33) the announcement dated 17 May 2021 made by the Company in relation to the poll results of the annual general meeting for FY2020 held on 17 May 2021;
- (34) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 6<sup>th</sup> Board meeting for the financial year ending 31 December 2021 (“**FY2021**”);
- (35) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 3<sup>rd</sup> Supervisory Committee meeting for FY2021;
- (36) the announcement dated 13 August 2021 made by the Company in relation to the 2<sup>nd</sup> adjustment to the repurchase price of the Restricted A-Shares granted under the Scheme and the 3<sup>rd</sup> repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements (the “**3<sup>rd</sup> Repurchase Announcement**”);
- (37) the announcement dated 13 August 2021 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration; and
- (38) the announcement dated 13 August 2021 made by the Company in respect of the notification to creditors of the Company in relation to the 3<sup>rd</sup> repurchase and cancellation of the Restricted A-Shares granted under the Scheme (the “**3<sup>rd</sup> Notification Announcement**”).

Electronic copies of each of the aforementioned announcements, the Circular and the 2020 1<sup>st</sup> EGM Circular are available on the website of the Singapore Exchange Securities Trading Limited at <https://www.sgx.com/>.

*Unless otherwise defined, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Circular and the 3<sup>rd</sup> Repurchase Announcement.*

## IMPORTANT REMINDER

- Reason for the 3<sup>rd</sup> Proposed Repurchase

Given that five (5) of the participants of the Scheme (the “**Five Participants**”) were no longer eligible to participate in the Scheme due to such Five Participants’ retirement or resignation from the Company, the Company proposed to repurchase and cancel all the Restricted A-Shares granted to the Five Participants but which have not yet been released from the lock-up requirements under the Scheme in accordance with the *Administrative Measures on Share Incentives of Listed Companies* (《上市公司股权激励管理办法》) (the “**Administrative Measures**”) and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) (the “**3<sup>rd</sup> Proposed Repurchase**”).

- Details of the Restricted A-Shares to be cancelled under the 3<sup>rd</sup> Proposed Repurchase

No. of the Restricted A-Shares repurchased	No. of the Restricted A-Shares to be cancelled	Date of cancellation
200,000	200,000	18 November 2021

### A. DECISION-MAKING PROCEDURES AND INFORMATION DISCLOSURE IN RELATION TO THE 3<sup>RD</sup> PROPOSED REPURCHASE

On 12 August 2021, the Company duly convened its 6<sup>th</sup> Board meeting and 3<sup>rd</sup> Supervisory Committee meeting for FY2021, and the Board and the Supervisory Committee considered and approved the proposed contents of the “2<sup>nd</sup> adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 3<sup>rd</sup> repurchase and cancellation of some of the Restricted A-Shares granted but which have not yet been released from the lock-up requirements” (关于第二次调整公司2019年A股限制性股票激励计划回购价格并第三次回购注销已获授但尚未解除限售的限制性股票的议案) and the proposed contents of the “Amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration” (关于修订《公司章程》并办理工商变更的议案). Please refer to the 3<sup>rd</sup> Repurchase Announcement for further details.

According to the relevant provisions in the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划), “upon the employment relationship is discharged or terminated due to objective reasons including job transfer, removal from office, retirement, death or loss of civil capacity, the Restricted A-Shares granted to such Participant which have yet been released from the lock-up requirements shall be repurchased by the Company at the Grant Price plus the interests as calculated at the benchmark interest rate for deposits of the same period when repurchasing.” Two (2) participants of the Scheme who had been granted an aggregate of 100,000 Restricted A-Shares under the Initial Grant but which have not yet been released from the lock-up requirements under the Scheme have resigned from the Company, and three (3) participants of the Scheme who had been granted an aggregate of 100,000 Restricted A-Shares under the Initial Grant but which have not yet been released from the lock-up requirements under the Scheme have retired.

On 17 May 2021, the Company duly convened its annual general meeting for FY2020 (the “**AGM**”), and the Shareholders at the AGM considered and approved, amongst others, the scheme of profit distribution policy of the Company for FY2020 as follows:

to declare dividends of an aggregate amount of RMB232,092,922.80 on the basis of RMB0.30 (inclusive of tax) for each ordinary share in the capital of the Company. The proposed dividend is payable in respect of 773,643,076 issued ordinary shares in the capital of the Company as at 31 December 2020.

As the Company has completed the dividend distribution for FY2020 in June 2021, the repurchase price of the 3<sup>rd</sup> Proposed Repurchase had been adjusted to RMB6.60 per Restricted A-Share.

The Company shall apply to the China Securities Depository and Clearing Co., Ltd. Shanghai Branch (中国证券登记结算有限责任公司上海分公司) (the “**CSDC Shanghai Branch**”) for cancellation of the 200,000 Restricted A-Shares repurchased under the 3<sup>rd</sup> Proposed Repurchase.

The Company had also notified its creditors in respect of the 3<sup>rd</sup> Proposed Repurchase via the Company’s announcements dated 13 August 2021, and within 45 days from the date of the 3<sup>rd</sup> Notification Announcement, the Company did not receive any demand which requires the Company to pay off its debts or to provide corresponding guarantees. Please refer to the 3<sup>rd</sup> Notification Announcement for further details.

## **B. INFORMATION ON THE 3<sup>RD</sup> PROPOSED REPURCHASE**

### **1. Reason and basis for the 3<sup>rd</sup> Proposed Repurchase**

Given that the Five Participants are no longer eligible to participate in the Scheme due to such participants’ retirement and/or resignation from the Company, the Company proposed to repurchase and cancel all of the Restricted A-Shares granted to the Five Participants but which have not yet been released from the lock-up requirements under the Scheme in accordance with the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) and the authorisation from Shareholders to the Board for matters in relation to the Scheme as approved at the 2<sup>nd</sup> extraordinary general meeting of the Company in 2019 held on 2 December 2019.

### **2. Participants and number of Restricted A-Shares involved under the 3<sup>rd</sup> Proposed Repurchase**

There are a total of five (5) participants of the Scheme and an aggregate of 200,000 Restricted A-Shares involved in the 3<sup>rd</sup> Proposed Repurchase. Upon completion of the cancellation of the aggregate 200,000 Restricted A-Shares that had been repurchased under the 3<sup>rd</sup> Proposed Repurchase, the remaining Restricted A-Shares under the Scheme will be 4,570,000 Restricted A-Shares.

### **3. Arrangements in relation to the repurchase and cancellation of the Restricted A-Shares**

The Company has opened a special securities account with the CSDC Shanghai Branch for the repurchase of Restricted A-Shares (Securities Account No.: B883539510).

It is estimated that the cancellation of the repurchased 200,000 Restricted A-Shares will be completed on 18 November 2021.

**C. CHANGES IN THE SHARE CAPITAL STRUCTURE OF THE COMPANY UPON COMPLETION OF THE 3<sup>RD</sup> PROPOSED REPURCHASE**

The changes in the share capital structure of the Company following the completion of the 3<sup>rd</sup> Proposed Repurchase will be as follows:

Unit: share(s)

Categories		Before the completion of the 3 <sup>rd</sup> Proposed Repurchase	Aggregate number of Restricted A-Shares repurchased and to be cancelled	After the completion of the 3 <sup>rd</sup> Proposed Repurchase
1. Shares subject to selling restrictions		7,775,000	(200,000)	7,575,000
2. Shares not subject to selling restrictions	A-Shares and S-Shares, comprising:	765,868,076	-	765,868,076
	A-Shares	565,868,076	-	565,868,076
	S-Shares	200,000,000	-	200,000,000
<b>Total</b>		773,643,076	(200,000)	773,443,076

**D. STATEMENTS OF THE BOARD AND UNDERTAKINGS OF THE COMPANY**

1. Statements of the Board

The decision-making procedures and the information disclosure in relation to the 3<sup>rd</sup> Proposed Repurchase are in compliance with the provisions 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 “Grant of Restricted Shares Agreement” (限制性股票授予协议书), and there are no circumstances which are detrimental to the interests of the participants of the Scheme and the Company’s creditors arising therefrom.

2. Undertakings of the Company

The Company undertakes that it has verified and ensured that the information in relation to, amongst others, the participants, number of Restricted A-Shares and date of cancellation under the 3<sup>rd</sup> Proposed Repurchase are true, accurate and complete. The Five Participants have been fully informed of the matters in relation to the 3<sup>rd</sup>

Proposed Repurchase. In the event of any dispute arising from the 3<sup>rd</sup> Proposed Repurchase between the Company and the Five Participants, the Company shall bear the relevant legal liabilities arising therefrom.

#### **E. OPINION OF THE LEGAL ADVISER**

The Legal Adviser to the Company for the Scheme is of the opinion that the Company has performed the requisite decision-making procedures and information disclosure obligations for the 3<sup>rd</sup> Proposed Repurchase. The 3<sup>rd</sup> Proposed Repurchase 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 the Company shall perform the corresponding procedures in relation to the registration of reduction in its registered capital and cancellation of the Restricted A-Shares in accordance with applicable laws and regulations.

#### **By order of the Board**

Jiao Yan  
Secretary to the Board of Directors  
15 November 2021