TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED
(Company Registration No. 91120000103100784F)
(Incorporated in the People's Republic of China)
(the "**Company**")

GRANT OF WAIVER FROM COMPLIANCE WITH RULES 730(2) AND 730A(2) OF THE LISTING MANUAL

A. Introduction

The board of directors (the "**Board**") of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had applied to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for a waiver from compliance with the requirement under Rule 730(2) and Rule 730A(2) of the listing manual of the SGX-ST (the "**Listing Manual**") (collectively, the "**Waivers**").

B. Waiver from compliance with the requirements under Rule 730(2) and Rule 730A(2) of the Listing Manual

The Company had applied to the SGX-ST for a waiver from compliance with the requirement under Rule 730(2) of the Listing Manual in relation to the requirement that amendments to an issuer's articles of association must made consistent with prevailing listing rules at the time of amendment and under Rule 730A(2) of the Listing Manual relation to the requirement for all resolutions at general meetings to be voted by poll.

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles of association or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

Rule 730A(2) of the Listing Manual provides that all resolutions at general meetings shall be voted by poll. "Poll" is defined under the Listing Rules as the "method of voting under which shareholders are given one vote for each share held."

The Company's reasons for seeking the Waivers are

1. The Company is incorporated in the People's Republic of China (the "**PRC**").

2. Article 131 of the existing articles of association of the Company (the "**Articles of Association**") provides, *inter alia*, that in the circumstance of competitive election (i.e., the number of candidates standing for election as directors or supervisors is more than the number of directors or supervisors to be elected), the Company must carry out a cumulative voting system for the election of directors or supervisors. Since the number of candidates standing for election as directors or supervisors has always been the same as the number of directors or supervisors to be elected in the past elections of directors or supervisors of the Company, the Company has not carried out the cumulative voting system at its previous general meetings for the elections of directors or supervisors of the Company.

3. Pursuant to Rule 730A(2) of the Listing Manual, all resolutions at general meetings shall be voted by poll. "Poll" is defined under the Listing Manual as the "method of voting under which shareholders are given one vote for each share held." Pursuant to Article 86 of the existing Articles of Association, in the case of a vote by poll, every shareholder (including proxy) shall be entitled to one vote for every share such shareholder holds or such proxy represents. As poll voting is not prohibited under the laws of PRC, accordingly, the

Company has always carried out poll voting for the elections of directors or supervisors at its previous general meetings in accordance with the Listing Rules and Article 86 of its existing Articles of Association.

4. However, pursuant to Article 17 of the *Code of Corporate Governance of Listed Companies (2018* Revision*) (《上市公司治理准则》(2018年修订))* (the "**Code**") ("**Article 17**") promulgated by the China Securities Regulatory Commission (中国证券监督管理委员会) (the "**CSRC**") on 30 September 2018 which came into force on the date of promulgation, where a single shareholder of a listed company solely or jointly with the persons acting in concert with it is interested in 30% or more of the shares of such listed company, a cumulative voting system must be carried out for the election of directors or supervisors at the general meetings, and a listed company implementing the cumulative voting system must stipulate the detailed implementing rules for the cumulative voting system in its articles of association. Since Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("**TPH**"), being the controlling shareholder of the Company, holds directly and indirectly 42.81% of the issued share capital of the Company, it is mandatory for the Company to carry out the cumulative voting system (the "**Cumulative Voting System**") for the election of directors or supervisors at its general meetings and stipulate the detailed implementing rules for the Cumulative Voting System in the Articles of Association, whether or not the number of candidates standing for election as directors or supervisors is more than, or same as, the number of directors or supervisors to be elected, and even in the case that there is only one (1) director or supervisor (as the case may be) to be elected and one (1) candidate standing for election as director or supervisor (as the case may be).

   The aforementioned "**Cumulative Voting System**" refers to a voting mechanism carried out by shareholders for the election of directors or supervisors at the general meeting where each share held by a shareholder has the same number of votes as the number of directors or supervisors to be elected under the relevant proposal group, and the shareholders may cast their votes for one or several candidates.

5. Further, as required by the Tianjin Securities Regulatory Bureau (天津证监局) (the "**TSRB**"), the Company must submit the resolution on the proposed amendments to its Articles of Association to provide for the adoption of the Cumulative Voting System for the election of directors or supervisors at its general meetings and stipulate the detailed implementing rules for the Cumulative Voting System in its Articles of Association for consideration and approval by the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company for the financial year ended 31 December 2021 at the latest (i.e., no later than 16 May 2022).

6. Accordingly, to comply with the requirements of the Code and the TSRB, the Company proposes to amend Article 83 of the existing Articles of Association to provide for the adoption of the Cumulative Voting System for the election of directors or supervisors at its general meetings and stipulate the detailed implementing rules for the Cumulative Voting System in its Articles of Association (the "**2022 Proposed AOA Amendments**"), in accordance with the provisions under relevant laws, regulations and normative documents of the PRC, including the *Company Law of the PRC (2018* Revision*) (《中华人民共和国公司法》(2018年修订))* (the "**PRC Company Law**"), the *Securities Law of the PRC (2019 Revision) (《中华人民共和国证券法》(2019年修订))*, the Code and the *Guidelines on the Articles of Association of Listed Companies (2022 Revision) (《上市公司章程指引》(2022年修订))* promulgated by the CSRC, so as to further improve the corporate governance structure and safeguard the rights and interests of the minority shareholders of the Company.

7. Details of the relevant PRC laws, regulations and normative documents relating to the implementation of the Cumulative Voting System applicable to the Company are as follows:

   i. Article 17 of the Code provides that the election of directors or supervisors shall fully reflect the opinions of the minority shareholders. A cumulative voting system should be actively carried out for the election of directors or supervisors at general meetings of the company. Where a single shareholder of a listed company solely or jointly with the persons acting in concert with it is interested in 30% or more of the shares of such listed company, it is mandatory for a cumulative voting system to be carried out for the election of directors or supervisors at the general meetings. A listed company implementing the cumulative voting system must stipulate the detailed implementing rules for the cumulative voting system in its articles of association;

   ii. Article 105 of the PRC Company Law ("**Article 105**") and Article 32 of the *Rules of the Shareholders' Meeting of Listed Companies (2016 Revision) (《上市公司股东大会规则(2016 年修订))* promulgated by the CSRC on 30 September 2016 ("**Article 32**") both provide that when voting on the resolution for the election of directors or supervisors at a general meeting of a company, a cumulative voting system may be carried out in accordance with the articles of association of such company or the resolution of the general meeting;

   iii. In addition, Article 11 of the *Detailed Implementing Rules for Online Voting at Shareholders' Meetings of Companies Listed on the Shanghai Stock Exchange (2015 Revision) (《上海证券交易所上市公司股东大会网络投票实施细则》(2015年修订))* (the "**Detailed Implementing Rules**") ("**Article 11**") provides that where a listed company carries out the cumulative voting system for the election of directors or supervisors, the candidates for election as directors or supervisors shall be divided and resolutions for their elections shall be listed in the notice of general meeting grouped under separate proposal groups, which are categorised based on (i) candidates proposed to be elected as non-independent directors; (ii) candidates proposed to be elected as independent directors; and (iii) candidates proposed to be elected as supervisors, and submitted for voting at the general meeting respectively, and Article 23 of the Detailed Implementing Rules ("**Article 23**") provides, *inter alia*, for each proposal subject to cumulative voting system at the general meeting, each share held by the shareholders present at the general meeting shall have the same number of votes as the number of directors or supervisors to be elected under each proposal group. Shareholders may cast their votes for one or several candidates; and

   iv. Further, Part 4 of the Opinions of the *General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market (《国务院办公厅关于进一步加强资本市场中小投资者合法权益保护工作的意见》)* issued by the General Office of the State Council in 2013 ("**Part 4**") states, *inter alia*, the cumulative voting system should be actively implemented for the election of directors or supervisors to improve the voting mechanism of the minority investors.

8. In summary, as stated above, since TPH (being the controlling shareholder of the Company) holds directly and indirectly 42.81% of the issued share capital of the Company, pursuant to Article 17 of the Code and as required by the TSRB, it is mandatory under the PRC laws for the Company to amend its existing Articles of Association to provide for the adoption of the Cumulative Voting System for the election of directors or supervisors at its general meetings and stipulate the detailed implementing rules for the Cumulative Voting System in its Articles of Association. Under the Cumulative Voting System, when voting

on the resolution for the election of directors or supervisors (as the case may be) at a general meeting, each share held by a shareholder of the Company has the same number of votes as the number of directors or supervisors (as the case may be) to be elected. Accordingly, the Company has sought a waiver from the SGX-ST from compliance with the requirements under Rules 730(2) and 730A(2) of the Listing Manual in connection with the 2022 Proposed AOA Amendments, so that the Company can proceed with the 2022 Proposed AOA Amendments in due course.

C. Grant of the Waivers

On 11 February 2022, the SGX-ST advised that it has no objection to the Company's application the Waivers, subject to the following conditions:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

(b) the Company being required under PRC laws and regulations to adopt the Cumulative Voting System for the election of directors or supervisors at its general meetings and to stipulate the detailed implementing rules for the Cumulative Voting System in its Articles of Association;

(c) the Company only using the Cumulative Voting System in relation to the election of directors or supervisors at general meetings of the Company; and

(d) the Company explaining to shareholders the voting rules and procedures of the Cumulative Voting System and informing shareholders of the number of votes to be conferred on each share in such elections requiring the use of the Cumulative Voting System.

The Company considers the condition described in sub-paragraph (a) above to be complied with by the making of this announcement and the disclosure of the reasons for seeking the Waivers. The condition described in sub-paragraph (b) is also fulfilled as at the date of this announcement.

The SGX-ST reserves the right to amend and/or vary its decision, and such decision is subject to the changes in the SGX-ST's policies.

Further announcements will be made by the Company in due course in relation to the 2022 Proposed AOA Amendments, which will be subject to the approval of the Shareholders.

BY ORDER OF THE BOARD

Jiao Yan
Secretary to the Board of Directors

14 February 2022