

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

Resolutions Passed at the 1st Supervisory Committee Meeting for FY2020

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 Company had on 7 February 2020 issued a notice of supervisory committee (the "**Supervisory Committee**") meeting to its supervisors in respect of the 1st Supervisory Committee meeting for the financial year ending 31 December 2020 ("**FY2020**"), and the 1st Supervisory Committee meeting was duly convened by means of telephone conference on 17 February 2020.

*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 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 proposed repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme be approved.

As one of the participants of the Scheme, namely Ms. Yu Hong, is no longer eligible to participate in the Scheme due to her resignation from the Company, the Board proposes to repurchase and cancel all of the 70,000 Restricted A-Shares granted to her but not yet released from the lock-up requirements under the Scheme (the "**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 70,000 Restricted A-Shares to be repurchased and cancelled under the Proposed Repurchase represents 0.009% of the total share capital of the Company. The repurchase price of the Proposed Repurchase shall be RMB 7.20 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 Proposed Repurchase, the total number of shares in the capital of the Company will be reduced from 772,803,076 to 772,733,076 shares, and the registered capital of the Company will also be reduced from RMB 772,803,076 to RMB 772,733,076. The Company shall perform the corresponding capital reduction procedures pursuant to the laws upon completion of the Proposed Repurchase. The Proposed Repurchase will not affect the implementation of the Scheme.

In accordance with the relevant provisions of 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 Articles of Association of the Company, the Supervisory Committee has verified the reason for the Proposed Repurchase, the number and price of the Restricted A-Shares to be repurchased and the Participants involved in the Proposed Repurchase. The Supervisory Committee is of the view that the Proposed Repurchase is in compliance with the relevant provisions 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), the Proposed Repurchase would not prejudice the interests of the Company and the Shareholders as a whole, will not have a material impact on the financial status and operating results of the Company, nor will it affect the diligence of the Company’s management team.

By order of the Board

Jiao Yan
Company Secretary
17 February 2020