

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in the People's Republic of China)

(the "Company")

GRANT OF EXTENSION OF TIME TO ANNOUNCE AUDITED FULL YEAR RESULTS AND TO HOLD ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND GRANT OF WAIVER FROM COMPLIANCE WITH RULE 730A(1) OF THE LISTING MANUAL IN RESPECT OF HOLDING ALL GENERAL MEETINGS IN SINGAPORE

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:

- (i) an extension of time to release its audited full year results for the financial year ended 31 December 2019 ("**FY2019**") within 120 days of the Company's financial year end, by 29 April 2020;
- (ii) an extension of time to hold its annual general meeting ("**AGM**") by 15 June 2020; and
- (iii) a waiver from compliance with the requirement under Rule 730A(1) of the listing manual of the SGX-ST (the "**Listing Manual**") to hold all its general meetings in Singapore, and for it to continue to hold its general meetings in the People's Republic of China ("**PRC**"),

(collectively, the "**Waivers**").

B. Extension of time to announce the Company's audited results for FY2019 within 120 days of the financial year end

The Company had applied to the SGX-ST for a waiver from the requirement under Rule 705(1) of the Listing Manual to announce its full year results within 60 days of the financial year end, and had requested for an extension of time to release its *audited* full year results within 120 days of the financial year end.

Pursuant to Rule 705(1) of the Listing Manual, the Company is required to announce its full year results within 60 days of the financial year end. There is no requirement under Rule 705(1) that the announced full year results must be audited. However, under the listing rules of the Shanghai Securities Exchange ("**SSE**"), on which the Company's "A" Shares are listed, the Company has to announce its audited full year results within 120 days of the financial year end. As such, in order to comply with the requirements of both the SGX-ST and SSE, the Company will have to announce its audited full year results within 60 days of the financial year end.

In view of the particular circumstances faced by the Company, the SGX-ST had in previous years granted the Company's application for an extension of time to release its audited full year results within 90 days of the financial year end, subject to the conditions specified thereto.

For this year, the Company had requested for an extension of time to release its audited full year

results within 120 days (instead of 90 days) of the financial year end as its employees and its auditors (based outside of Tianjin) are facing logistical problems travelling into Tianjin in view of the coronavirus outbreak in the PRC, which has disrupted the Company's schedule to complete the audit process in a timely manner. In particular:

- (i) China is presently taking measures to contain and prevent the spread of the new coronavirus epidemic locally, and in order to effectively do so, all measures taken by local governments in China are geared towards reducing the flow and concentration of people. As such, the Company's internal and external PRC auditors (based outside of Tianjin) are restricted from visiting the Company to carry out the annual audit exercise in accordance with the original plan and schedule, and the relevant audit procedures in connection therewith cannot be effectively conducted in time.
- (ii) Given the present situation, the Company's international auditors (based in Singapore) are also unable to visit the Company to carry out the on-site audit exercise in accordance with the original plan and schedule, nor effectively implement the relevant audit procedures in connection therewith.

C. Extension of time to hold the Company's AGM for FY2019 to a date not later than 15 June 2020

The Company had also applied to the SGX-ST for a waiver of the requirement under Rule 707(1) of the Listing Manual to hold the AGM within 4 months of the financial year end and to allow the Company an extension of time to hold its AGM.

Rule 707(1) of the Listing Manual provides that a listed company must hold its annual general meeting not later than 4 months after the end of its financial year. In accordance with the requirement of the China Securities Regulatory Commission ("CSRC"), the Company is required to give written notice of its AGM at least 45 days before the AGM is held. Accordingly, in order to comply with both SGX-ST's AGM requirement and CSRC's notice requirement, the audited accounts of the Group will have to be completed well before 15 March. This would present significant practical difficulties to the Company. In view of the particular circumstances faced by the Company, the SGX-ST had in previous years granted a waiver and an extension of time to 15 May or 16 May (as 15 May 2016 is a Sunday) for the Company to hold its AGMs, subject to the conditions specified thereto.

For this year, the Company had requested for an extension of time to hold its AGM by 15 June 2020 (instead of 15 May 2020) as the coronavirus outbreak in the PRC has disrupted the Company's schedule to complete the audit process in a timely manner, as described in further detail above.

D. Waiver from compliance with the requirement under Rule 730A(1) of the Listing Manual

The Company had also applied to the SGX-ST for a waiver from compliance with the requirement under Rule 730A(1) of the Listing Manual to hold all its general meetings in Singapore, and for it to continue to hold its general meetings in the PRC.

Rule 730A(1), read with Practice Note 7.5 of the Listing Manual, states that an issuer primary-listed on the SGX-ST shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.

The Company's reasons for seeking the aforementioned waiver are as follows:

1. The Company is incorporated in the PRC. As at 31 December 2019, the total number of shareholders in the Company (the "**Shareholders**") is 31,522, out of which 28,992 Shareholders are based in the PRC ("**A-Shareholders**") and 2,530 Shareholders are based in Singapore ("**S-Shareholders**"). Therefore, the number of A-Shareholders represents more than 90% of the total number of Shareholders.
2. As at 31 December 2019, approximately 74% of the total voting rights of the Company are held by A-Shareholders based in the PRC, and the remaining 26% of the total voting rights are held by S-Shareholders whom are not based in the PRC.
3. The relevant PRC regulations applicable to the Company are as follows:
 - i. Article 8 of the *Rules of Management of Listed Company* promulgated by the CSRC states that venue selection shall to the largest extent allow and facilitate the largest number of shareholders to attend the shareholders' meeting.
 - ii. Article 20 of the *Rules of the Shareholders' Meeting of Publicly Listed Company* promulgated by the CSRC provides that the shareholders' meeting of a listed company shall be convened at the company's place of domicile or at the place stated in its articles of association.

Although there is no express requirement under PRC laws for the Company's general meetings to be held in the PRC, the Company has obtained its PRC legal counsel's opinion that the laws and regulations of the PRC recommend that the general meetings of the Company be held in the PRC.

4. The relevant procedures of the Company are as follows:
 - i. Article 44 of the *Rules of Procedure of the Shareholders' Meeting* (the "**Rules of Procedure**") formulated by the Company provides that the shareholders' meeting of a listed company shall be convened at the Company's place of domicile or at the place stated in its articles of association.
 - ii. Article 27 of the Rules of Procedure provides that the issue of venue for the shareholders' meeting shall be decided by the Board and shall facilitate the largest number of Shareholders' attendance at the shareholders' meeting.
 - iii. Article 68 of the *Articles of Association of the Company* (the "**AOA**") formulated by the Company provides that the Board shall determine the date and venue of general meetings.

Accordingly, the issue of venue of the general meetings of the Company shall be decided by the Board. As the venue for general meetings is not expressly specified in the AOA, the general meetings of the Company shall be convened at the Company's place of domicile.

5. As mentioned in paragraph (1) above, the Company has a large number of A-Shareholders based in the PRC. In order to facilitate the largest number of Shareholders' attendance at its general meetings, the Company has always held its general meetings in the PRC in the past, and wishes to continue to do so.
6. The Company will make arrangements such as video conferencing or webcasts to enable S-Shareholders based in Singapore to follow the proceedings during the general meetings.

7. Poll voting is not prohibited in the PRC. The Company has always carried out poll voting in its previous general meetings, and undertakes to include votes from Shareholders who participate in the AGM for FY2019 via video conferencing in Singapore.

E. Grant of the Waivers

On 4 February 2020, the SGX-ST advised that it has no objection to the Company's application for waivers of / extensions of time with regard to compliance with Listing Rules 705(1), 707(1) and 730A(1), subject to the following conditions:

- (i) 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;
- (ii) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company;
- (iii) the Company convening the annual general meeting by 15 June 2020;
- (iv) submission of annual confirmations from the Company to RegCo, within 1 month from the end of its financial year, that the requirements of SSE for the 120 days reporting and for audited results to be announced remain unchanged;
- (v) the Company making its best efforts to announce its full year audited results within the shortest time frame practicable and in any case no later than by 29 April 2020;
- (vi) RegCo reserving the right to subsequently require the Company to comply with the time frame required under Listing Rule 705;
- (vii) submission of annual confirmation, within 1 month from the end of its financial year, that the Company is still required to give 45 days' notice of AGM under PRC laws;
- (viii) submission of an undertaking from the Company to use its best efforts to hold its AGM 2019 in the earliest time frame practicable, and in any case no later than by 15 June 2020; and
- (ix) submission of a written undertaking from the Company that the Company will make appropriate arrangements such as video conferencing to enable shareholders in Singapore to meaningfully participate in, to follow the proceedings and to vote at the general meetings.

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.

The Company considers the condition described in sub-paragraph (i) above to be complied with by the making of this announcement and the disclosure of the reasons for seeking the Waivers. The Company had submitted the relevant confirmations to the SGX-ST as required under sub-paragraphs (ii), (iv), (vii) and (ix) respectively. The written confirmation referred to in

sub-paragraph (viii) will be separately submitted. The Company will have up to 15 June 2020 to hold its AGM for FY2019.

By order of the Board
5 February 2020