

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

2ND ADJUSTMENT TO THE REPURCHASE PRICE OF THE RESTRICTED A-SHARES GRANTED UNDER THE 2019 RESTRICTED A-SHARE INCENTIVE SCHEME AND THE 3RD REPURCHASE AND CANCELLATION OF SOME OF THE RESTRICTED A-SHARES GRANTED BUT NOT YET RELEASED FROM THE LOCK-UP REQUIREMENTS

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 7th Board meeting for the financial year ended 31 December 2019 (“FY2019”) (the “**2019 7th Board Meeting Announcement**”);
- (2) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 6th supervisory committee (the “**Supervisory Committee**”) meeting for FY2019 (the “**2019 6th Supervisory Committee Meeting Announcement**”);
- (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 (the “**1st Explanatory Statement Announcement**”);
- (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 (the “**2019 EGM Results Announcement**”);
- (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 10th Board meeting for FY2019 (the “**2019 10th Board Meeting Announcement**”);
- (9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9th 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 2nd Board meeting for the financial year ending 31 December 2020 (“**FY2020**”) (the “**2020 2nd Board Meeting Announcement**”);
- (15) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 1st Supervisory Committee meeting for FY2020 (the “**2020 1st Supervisory Committee Meeting Announcement**”);
- (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 (the “**1st Repurchase Announcement**”);
- (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 (the “**2020 AGM Results Announcement**”);
- (19) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 5th Board meeting for FY2020 (the “**2020 5th Board Meeting Announcement**”);
- (20) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 4th Supervisory Committee meeting for FY2020 (the “**2020 4th Supervisory Committee Meeting Announcement**”);
- (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 “**2nd 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 2nd List of Participants (the “**2nd Explanatory Statement Announcement**”);

- (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 6th Board meeting for FY2020 (the “**2020 6th Board Meeting Announcement**”);
- (26) the announcement dated 14 August 2020 made by the Company in relation to the resolutions passed at the 5th Supervisory Committee meeting for FY2020 (the “**2020 5th Supervisory Committee Meeting Announcement**”);
- (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 2nd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements (the “**2nd Repurchase Announcement**”);
- (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 2nd repurchase and cancellation of the Restricted A-Shares granted under the Scheme;
- (30) the circular dated 15 September 2020 (the “**2020 1st 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 (the “**2020 1st EGM Results Announcement**”);
- (32) the announcement dated 27 October 2020 made by the Company in relation to the update on the 1st Proposed Repurchase and the 2nd 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 (the “**2021 AGM Results Announcement**”);
- (34) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 6th Board meeting for the financial year ending 31 December 2021 (“**FY2021**”) (the “**2021 6th Board Meeting Announcement**”); and
- (35) the announcement dated 13 August 2021 made by the Company in relation to the resolutions passed at the 3rd Supervisory Committee meeting for FY2021 (the “**2021 3rd Supervisory Committee Meeting Announcement**”).

Electronic copies of each of the aforementioned announcements, the Circular and the 2020 1st 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 herein shall bear the same meanings ascribed to them in the Circular, the 1st Repurchase Announcement and the 2nd Repurchase Announcement.

On 12 August 2021, the Company duly convened its 6th Board meeting and 3rd Supervisory Committee meeting for FY2021, and the Board and the Supervisory Committee considered and approved the proposed contents of the “2nd adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 3rd repurchase and cancellation of some of the Restricted A-Shares granted but not yet 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 resolved that, among others, the repurchase price of the Restricted A-Shares granted under the Initial Grant and the Grant of Reserved Restricted A-Shares shall be adjusted to RMB6.60 per Restricted A-Share and RMB8.59 per Restricted A-Share respectively taking into consideration the completion of the dividend distribution for FY2020 (the “**2nd Proposed Adjustment**”) and the proposed repurchase and cancellation of all of the 200,000 Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme (the “**3rd Proposed Repurchase**”). Further details are as set out below.

A. APPROVAL AND AUTHORISATION FOR THE 3RD PROPOSED REPURCHASE

The Company has fulfilled the following procedures in relation to the 3rd Proposed Repurchase:

1. On 16 October 2019, the Company duly convened its 7th Board meeting and 6th Supervisory Committee meeting for FY2019, and the Board and the Supervisory Committee considered and approved, *inter alia*, the proposed contents of the “2019 Restricted A-Share Incentive Scheme and its summary” (2019 年 A 股限制性股票计划及其摘要) and other proposals relating to the Scheme. The independent directors of the Company then and the Supervisory Committee had given their independent opinions and verification opinions respectively. CITIC Securities Co., Ltd. (中信证券股份有限公司), being the Independent Financial Adviser, and Xing Tong Law Firm (行通律师事务所), being the Legal Adviser for the Scheme had issued their respective professional opinions.
2. On 25 November 2019, the Supervisory Committee issued the “Explanatory statement on the verification of the List of Participants under the Scheme and on the verification of the internal publication in respect of the List of Participants” (天津中新药业集团股份有限公司监事会对激励名单审核及公示情况说明), which explained that the Company has published the names and designations of each of the Participants for a period from 1 November 2019 to 11 November 2019 (the “**1st Publication Period**”), and as at the expiration of the 1st Publication Period, the Supervisory Committee did not receive any objections with respect to the proposed Participants under the Scheme.
3. On 2 December 2019, the Company duly convened its 2nd extraordinary general meeting of the Company in 2019 (the “**2019 2nd EGM**”), and the Shareholders at the 2019 2nd EGM considered and approved the proposed contents of the “2019 Restricted A-Share Incentive Scheme and its summary” (2019 年 A 股限制性股票计划及其摘要) and other proposals relating to the Scheme.

4. On 9 December 2019, the Company duly convened its 10th Board meeting for FY2019, and the Board considered and approved the proposed contents of the “Grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象首次授予限制性股票的议案) and the proposed contents of the “Adjustments to the List of Participants proposed to participate in the initial grant of the Initial Granted Restricted A-Shares and the number of Initial Granted Restricted A-Shares to be granted to them under the Scheme” (关于调整公司 2019 年 A 股限制性股票激励计划首次授予激励对象名单及授予权益数量的议案). The independent directors of the Company then and the Supervisory Committee had given their independent opinions and verification opinions respectively. The Independent Financial Adviser and the Legal Adviser for the Scheme had issued their respective professional opinions.
5. On 17 February 2020, the Company duly convened its 2nd Board meeting and 1st 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).
6. On 5 June 2020, the Company duly convened its annual general meeting for FY2019 (the “**2020 AGM**”), and the Shareholders at the 2020 AGM considered and approved, amongst others, the scheme of profit distribution policy of the Company for FY2019.
7. On 6 July 2020, the Company duly convened its 5th Board meeting and 4th Supervisory Committee meeting for FY2020, and the Board and the Supervisory Committee considered and approved the proposed contents of the “Grant of the Reserved Restricted A-Shares to the Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象授予预留限制性股票的议案). The independent directors of the Company then and the Supervisory Committee had given their independent opinions and verification opinions respectively.
8. On 17 July 2020, the Supervisory Committee issued the “Explanatory statement of the Supervisory Committee on the verification of the list of Participants proposed to participate in the Grant of Reserved Restricted A-Shares under the Scheme and on the verification of the internal publication in respect of the list of Participants” (天津中新药业集团股份有限公司监事会关于 2019 年 A 股限制性股票激励计划预留部分授予激励对象人员名单的审核及公示情况说明), which explained that the Company has published the names and designations of each of the Participants as set out in the 2nd List of Participants for a period from 6 July 2020 to 16 July 2020 (the “**2nd Publication Period**”), and as at the expiration of the 2nd Publication Period, the Supervisory Committee did not receive any objections with respect to the Participants as set out in the 2nd List of Participants.
9. On 13 August 2020, the Company duly convened its 6th Board meeting and 5th Supervisory Committee meeting for FY2020, and the Board and the Supervisory Committee considered and approved 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 2nd 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) 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) (the “**2020 Proposed AOA Amendments**”). The independent directors of the Company then and the Supervisory Committee had given their independent opinions and verification opinions respectively.

10. On 30 September 2020, the Company duly convened its 1st extraordinary general meeting of the Company in 2020 (the “**2020 1st EGM**”), and the Shareholders at the 2020 1st EGM considered and approved, amongst others, the 2020 Proposed AOA Amendments.
11. On 17 May 2021, the Company duly convened its annual general meeting for FY2020 (the “**2021 AGM**”), and the Shareholders at the 2021 AGM considered and approved, amongst others, the scheme of profit distribution policy of the Company for FY2020.
12. On 12 August 2021, the Company duly convened its 6th Board meeting and 3rd Supervisory Committee meeting for FY2021, and the Board and the Supervisory Committee considered and approved the proposed contents of the “2nd Adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 3rd repurchase and cancellation of some of the Restricted A-Shares granted but not yet 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) (the “**2021 Proposed AOA Amendments**”). The present independent directors of the Company and the Supervisory Committee had given their independent opinions and verification opinions respectively. The 2021 Proposed AOA Amendments shall be submitted for Shareholders’ consideration and be approved by more than two-thirds (2/3) of the voting rights held by the attending Shareholders at an extraordinary general meeting of the Company to be convened in due course.

Please refer to the 2019 7th Board Meeting Announcement, the 2019 6th Supervisory Committee Meeting Announcement, the 1st Explanatory Statement Announcement, the Circular, the 2019 EGM Results Announcement, the 2019 10th Board Meeting Announcement, the 2020 2nd Board Meeting Announcement, the 2020 1st Supervisory Committee Meeting Announcement, the 2020 AGM Results Announcement, the 2020 5th Board Meeting Announcement, the 2020 4th Supervisory Committee Meeting Announcement, the 2nd Explanatory Statement Announcement, the 2020 6th Board Meeting Announcement, the 2020 5th Supervisory Committee Meeting Announcement, the 2020 1st EGM Results Announcement, the 2021 AGM Results Announcement, the 2021 6th Board Meeting Announcement and the 2021 3rd Supervisory Committee Meeting Announcement for further details.

B. INFORMATION ON THE 2ND PROPOSED ADJUSTMENT TO THE REPURCHASE PRICE

1. According to the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划), “upon completion of the registration of the Restricted A-Shares granted to a Participant, in the event of capitalisation of capital reserves, bonus issue, share subdivision, rights issue, share consolidation or dividend distribution made by the Company affecting the total issued share capital or the share price of the Company,

the Company shall make adjustments to the repurchase price of the Restricted A-Shares but not yet released from the lock-up requirements accordingly.”

2. The Shareholders at the 2021 AGM considered and approved 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 RMB0.3 (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.

The dividend distributions for FY2020 has been completed in June 2021.

As stated in the announcement dated 8 June 2021 made by the Company in relation to the notice of books closure date, the Share Transfer Books and Register of Members of the Company were closed after 5.00 p.m. on 16 June 2021 (for S-Shares) and 23 June 2021 (for A-Shares) for the purposes of determining Shareholders' entitlements to the final dividend for FY2020. Upon the distribution of the final dividend, the methods for adjustment to the repurchase price of the Restricted A-Shares granted under the Scheme shall be as follows:

Repurchase price of the : $P = P_0 - V = \text{RMB6.60 per Restricted A-Share}$
Restricted A-Shares Under the
Initial Grant

Repurchase price of the : $P = P_0 - V = \text{RMB8.59 per Restricted A-Share}$
Restricted A-Shares Under the
Grant of Reserved Restricted A-
Shares

Where: P_0 represents the repurchase price per Restricted A-Share prior to adjustment; V represents the amount of dividends per share; P represents the repurchase price per Restricted A-Share after adjustment. P remains greater than 1 after adjustment.

C. INFORMATION ON THE 3RD PROPOSED REPURCHASE

In accordance with the resolutions passed at the 6th Board meeting and the 3rd Supervisory Committee meeting of the Company for FY2021, the reason for, and the details of, the 3rd Proposed Repurchase are set out below.

1. Rationale for the 3rd Proposed Repurchase and the amount of Restricted A-Shares to be repurchased

According to the provisions in (B) (Changes in Personal Situation of the Participants) under Chapter 13 (Unusual Changes to the Company and the Participants) 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.” Given that five of the participants who have been granted the Restricted A-Shares under the Initial Grant are no longer eligible to

participate in the Scheme (the “**Five Participants**”), of which, three are due to retirement and two (including the former Deputy General Manager, Mr. Ni Zhenguo) are due to their resignation from the Company because of job changes, the Company proposes to repurchase and cancel all of the 200,000 Restricted A-Shares granted to the Five Participants but not yet released from the lock-up requirements under the Scheme.

2. Repurchase Price

As the Company has completed the dividend distribution for FY2020, the repurchase price of the 3rd Proposed Repurchase shall be adjusted to RMB6.60 per Restricted A-Share plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing.

3. Total Amount and Source of Funds for the 3rd Proposed Repurchase

The total amount to be paid by the Company for the 3rd Proposed Repurchase is RMB1,320,000 plus the corresponding interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing, which will be paid by the Company with its own funds. Upon completion of the 3rd Proposed Repurchase, the number of Participants participating in the Scheme will be adjusted to 134.

The Board shall handle all the relevant matters relating to the 3rd Proposed Repurchase in accordance with the authorisation from Shareholders to the Board for matters in relation to the Scheme as approved at the 2019 2nd EGM.

D. CHANGES IN THE SHARE CAPITAL STRUCTURE OF THE COMPANY UPON COMPLETION OF THE 3RD PROPOSED REPURCHASE

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

Unit: share(s)

Categories		Before the completion of the 3 rd Proposed Repurchase	Number of Restricted A-Shares repurchased	After the completion of the 3 rd Proposed Repurchase ⁽¹⁾
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
Total		773,643,076	(200,000)	773,443,076 (1)

Note:

- (1) The disclosure of 773,443,076 shares as stated in the table above was calculated on the assumption that the 3rd Proposed Repurchase has been completed as at the date of this announcement (i.e., 773,643,076 – 200,000 = 773,443,076). The actual situation shall be subject to the issuance of a “Certificate of Change of Securities Registration” (证券变更登记证明) by the China Securities Depository and Clearing Co., Ltd. Shanghai Branch upon completion of the 3rd Proposed Repurchase.

E. IMPACT OF THE 3RD PROPOSED REPURCHASE ON THE PERFORMANCE OF THE COMPANY

The 3rd Proposed Repurchase 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. The management team of the Company will continue to perform its duties diligently and work towards enhancing Shareholders' value.

Upon completion of the 3rd Proposed Repurchase, the controlling shareholder and actual controller (if applicable) of the Company remain unchanged. The shareholding spread and distribution of the Company still meet the listing conditions. The Company will continue to implement the Scheme according to relevant provisions.

F. OPINION OF THE INDEPENDENT DIRECTORS

The present independent directors of the Company are of the opinion that the 2nd Proposed Adjustment and the 3rd Proposed Repurchase are in compliance with the provisions as stipulated in the relevant laws, regulations and normative documents including the *Administrative Measures on Share Incentives of Listed Companies* (《上市公司股权激励管理办法》) (the “**Administrative Measures**”), 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 decision-making procedures of the 2nd Proposed Adjustment and the 3rd Proposed Repurchase are in compliance with applicable laws and regulations, and would not prejudice the interests of the Company and the Shareholders as a whole, nor will it have a material impact on the financial status and operating results of the Company. The present independent directors of the Company unanimously agree with the 2nd Proposed Adjustment and the 3rd Proposed Repurchase in accordance with the relevant provisions in respect of such repurchase and cancellation as stipulated in the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划).

G. OPINION OF THE SUPERVISORY COMMITTEE

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 2nd

Proposed Adjustment and the 3rd Proposed Repurchase are in compliance with applicable laws and regulations, and agrees to the proposed repurchase and cancellation of all the Restricted A-Shares granted to the Five Participants who are 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 FY2020.

H. OPINION OF THE LEGAL ADVISER

The Legal Adviser to the Company is of the opinion that:

- (1) as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the 2nd Proposed Adjustment and the 3rd Proposed Repurchase have been obtained;
- (2) the 2nd Proposed Adjustment and the 3rd Proposed Repurchase are 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
- (3) the 2nd Proposed Adjustment and the 3rd Proposed Repurchase are still subject to the fulfilment of disclosure obligations by the Company in accordance with applicable laws, regulations and normative documents; the 2021 Proposed AOA Amendments shall be submitted for Shareholders’ consideration and be approved by more than two-thirds (2/3) of the voting rights held by the attending Shareholders at an extraordinary general meeting of the Company, following which, 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, regulations and normative documents.

By order of the Board

Jiao Yan
Secretary to the Board of Directors
13 August 2021