

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

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**RESPONSE TO SGX QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL  
YEAR ENDED 31 DECEMBER 2019**

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The board of directors (the “**Board**”) of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide the following response to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 June 2020 in connection with the Company’s Annual Report 2019 released via SGXNet on 21 May 2020:-

**SGX-ST Query 1:**

Listing Rule 1207(6)(b) requires a confirmation by the Audit Committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the Audit Committee's opinion, affect the independence of the auditors. Please disclose the Audit Committee's views accordingly.

**Company's response:**

The Company has on page 41 of the Annual Report 2019 disclosed that the Audit Committee, having reviewed the range and value of non-audit services performed by the external auditors, RSM Chio Lim LLP and ShineWing Certified Public Accountants LLP, was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

**SGX-ST Query 2:**

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please provide information on whether the head of the internal audit function team has the relevant experience and qualifications.

**Company's response:**

The head of the internal audit department of the Company is Mr. Yang Yongfu. He holds a Bachelor's Degree in Statistics and a Master's Degree in Business Administration, and is also a Senior Accountant. In addition, Mr. Yang also serves as the Risk Prevention and Control Manager of the Company.

Mr. Yang has successively held positions in the subordinate enterprises of the Company and has rich working experience. In particular, he has been involved in the processes of enterprise preparation, operation and development, mergers and liquidation of different enterprises, and also has many years of experience working in the internal audit department of the Company.

Mr. Yang reports to the Board and the Audit Committee on a quarterly basis on behalf of the internal audit department, and the Board and the Audit Committee believe that Mr. Yang meets the requirements of his position in terms of knowledge accumulation, professional skills, management capability and relevance of experience.

**By Order of the Board**

Jiao Yan  
Secretary to the Board of Directors  
5 June 2020