

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.: 91120000103100784F)

(Incorporated in the People's Republic of China)

UPDATE ON THE PROPOSED MIXED-OWNERSHIP REFORM

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 the announcement dated 9 October 2018 made by the Company in relation to the Proposed Mixed-ownership Reform (the “**Prior Announcement**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Prior Announcement.

On 13 June 2020, the Company was notified by its controlling shareholder, Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) (“**TPH**”) that TPH's controlling shareholder, Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海国有资产经营管理有限公司) (“**Bohai State-owned Assets Management**”) intends to transfer not less than 65% of its equity interest in TPH (the “**Proposed Transfer**”), and will commence pre-disclosure of the information relating to the Proposed Transfer on the website of Tianjin Property Rights Exchange (天津产权交易中心) (“**TPRE**”) on 16 June 2020.

1. Main contents of the notification

The main contents of the notification are as follows: In accordance with the requirements of the *Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises* (《企业国有资产交易监督管理办法》), Bohai State-owned Assets Management intends to input information in relation to the Proposed Transfer in the system of TPRE on 15 June 2020 and to commence pre-disclosure of the same on 16 June 2020 (the “**Pre-disclosure**”). Further details of the Pre-disclosure can be found on the website of TPRE at <http://www.tpre.cn>.

2. Impact on the Company and Notification of Risks

- (1) The Proposed Mixed-ownership Reform intended to be carried out by TPH is proposed to be implemented by way of equity transfer to introduce investors, which may result in significant changes in the shareholding structure of TPH and a change in the actual controller of TPH.
- (2) The Pre-disclosure does not constitute the Proposed Transfer per se as it is only a process of pre-disclosing the information relating to the Proposed Transfer.
- (3) The Proposed Transfer will be carried out on TPRE by way of a public tender-for-sale (公开

挂牌出让) process, and it is uncertain at this point whether there will be any successful transferee.

- (4) The Company will monitor the progress of the Proposed Mixed-ownership Reform closely, and will make timely disclosures in accordance with the requirements of relevant laws and regulations.
- (5) The media platforms designated by the Company for information disclosure are the China Securities Journal (中国证券报), Shanghai Securities Journal (上海证券报), the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of Singapore Exchange Securities Trading Limited (www.sgx.com). All information in relation to the Proposed Mixed-ownership Reform disclosed by the Company shall be subject to the official announcement(s) published on the aforesaid designated media platforms.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
15 June 2020