

CIRCULAR DATED 25 NOVEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “Company”). **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold all your shares in the capital of the Company, you should immediately hand this Circular, the Notice of Extraordinary General Meeting and attached Proxy Form to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**TIANJIN ZHONG XIN PHARMACEUTICAL
GROUP CORPORATION LIMITED**

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED APPOINTMENT OF MS. ZHANG MINGRUI AS NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EXTRAORDINARY GENERAL MEETING (THE “PROPOSED APPOINTMENT OF DIRECTOR”);**
- (2) **THE PROPOSED APPOINTMENT OF MR. XING JIANHUA AS SUPERVISOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EXTRAORDINARY GENERAL MEETING (THE “PROPOSED APPOINTMENT OF SUPERVISOR”);**
- (3) **THE PROPOSED EXTENSION OF TIME TO PERFORM THE NON-COMPETE UNDERTAKING BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, TIANJIN PHARMACEUTICAL HOLDINGS CO., LTD. (THE “PROPOSED EXTENSION OF UNDERTAKING”);**
- (4) **THE LINE OF CREDIT GRANTED TO THE COMPANY BY SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD. UP TO A LIMIT OF RMB1,300 MILLION (THE “GRANT OF LOC”); AND**
- (5) **THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (THE “2021 PROPOSED AOA AMENDMENTS”) AND THE APPLICATION FOR CHANGES IN THE INDUSTRIAL AND COMMERCIAL REGISTRATION.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	8 December 2021 at 2:00 p.m.
Date and time of Extraordinary General Meeting	:	10 December 2021 at 2:00 p.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means for S-Share Shareholders (as defined herein) in Singapore.

CONTENTS

DEFINITIONS.....	2
1. INTRODUCTION.....	7
2. THE PROPOSED APPOINTMENT OF DIRECTOR.....	8
3. THE COMPOSITION OF THE BOARD AND THE RESPECTIVE BOARD COMMITTEES AFTER THE PROPOSED APPOINTMENT OF DIRECTOR.....	13
4. THE PROPOSED APPOINTMENT OF SUPERVISOR.....	14
5. THE COMPOSITION OF THE SUPERVISORY COMMITTEE AFTER THE PROPOSED APPOINTMENT OF SUPERVISOR	15
6. THE PROPOSED EXTENSION OF UNDERTAKING	16
7. THE GRANT OF LOC.....	20
8. THE 2021 PROPOSED AOA AMENDMENTS AND THE APPLICATION FOR CHANGES IN THE INDUSTRIAL AND COMMERCIAL REGISTRATION.....	21
9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	25
10. RECOMMENDATIONS.....	26
11. EXTRAORDINARY GENERAL MEETING	26
12. ACTION TO BE TAKEN BY SHAREHOLDERS	27
13. DIRECTORS' RESPONSIBILITY STATEMENT.....	27
14. DOCUMENT FOR INSPECTION.....	27
APPENDIX A	A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1

DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:-

<i>“1st Proposed Repurchase”</i>	:	Has the meaning ascribed to it in Section 8.2(c) of this Circular
<i>“2nd Proposed Repurchase”</i>	:	Has the meaning ascribed to it in Section 8.2(f) of this Circular
<i>“2018 Circular”</i>	:	The circular issued by the Company to its Shareholders on 13 December 2018 in relation to the 2018 Extension
<i>“2018 Extension”</i>	:	The extension of time sought by TPH to fulfil its undertaking to carry out the Transfer by 31 December 2021
<i>“2021 Proposed AOA Amendments”</i>	:	The proposed amendments to Articles 19 and 22 of the Articles of Association in relation to the amendment and update of the registered share capital details of the Company, as further described in Section 8.3 of this Circular
<i>“A-Shares”</i>	:	Ordinary shares issued by the Company under the PRC Company Law, comprising shares issued to natural and legal persons in the PRC and which are denominated in RMB
<i>“A-Share Shareholders”</i>	:	Holders of A-Shares
<i>“Act” or “Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified and/or supplemented from time to time
<i>“Articles” or “Articles of Association”</i>	:	The articles of association of the Company, as amended, modified and/or supplemented from time to time
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of the Company as at the date of this Circular
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 25 November 2021
<i>“Code”</i>	:	The Code of Corporate Governance, as amended, modified and/or supplemented from time to time
<i>“Company”</i>	:	Tianjin Zhong Xin Pharmaceutical Group Corporation Limited
<i>“Company Law”</i>	:	The Company Law of the PRC (《中华人民共和国公司法》), as amended, modified and/or supplemented from time to time
<i>“CSRC”</i>	:	China Securities Regulatory Commission (中国证券监督管理委员会)
<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none"> (i) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph

is not a controlling shareholder; or

(ii) in fact exercises control over the Company

“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 10 December 2021 at 2:00 p.m. at the meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People’s Republic of China 300193, (concurrently, the extraordinary general meeting will be held by way of electronic means for S-Share Shareholders in Singapore), notice of which are set out on pages N-1 to N-3 of this Circular
“FY2019”	:	Financial year ended 31 December 2019
“FY2020”	:	Financial year ended 31 December 2020
“FY2021”	:	Financial year ending 31 December 2021
“Grant of LOC”	:	The line of credit granted to the Company by Shanghai Pudong Development Bank Co., Ltd. up to a limit of RMB1,300 million
“Grant of Reserved Restricted A-Shares”	:	The grant of a total number of 940,000 Reserved Restricted A-Shares to 26 participants of the Scheme on 6 July 2020. Please refer to the announcements made by the Company on the SGXNet on 6 July 2020 for further details
“Group”	:	The Company and its subsidiaries
“Guideline No.4”	:	The Guideline No. 4 for the Supervision of Listed Companies – Commitments and Fulfillment of Commitments of the Actual Controllers, Shareholders, Affiliates and Acquirers of Listed Companies as well as the Listed Companies (《上市公司监管指引第四号—上市公司实际控制人、股东、关联方、收购人以及上市公司承诺及履行》) issued by the CSRC
“Historical Issues”	:	The historical issues pertaining to TPG Taiping in relation to, <i>inter alia</i> , the write-off of receivables, the state-allocated land and the adjustment of the business process
“Independent Directors”	:	The independent directors of the Company as at the date of this Circular, namely, Mr. Wong Gang, Mr. Liew Yoke Pheng Joseph and Ms. Li Qing
“Initial Grant”	:	The grant of a total number of 3,930,000 Restricted A-Shares to 115 participants of the Scheme on 9 December 2019. Please refer to the announcements made by the Company on the SGXNet on 9 December 2019 for further details
“Initial Granted Restricted A-Shares”	:	The initial tranche of 4,010,000 Restricted A-Shares proposed and approved to be granted under the Scheme. Please refer to the Company’s circular dated 15 November 2019 for further

details

<i>“Latest Practicable Date”</i>	:	The latest practicable date prior to the electronic despatch of this Circular, being 15 November 2021
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
<i>“Listing Rule”</i>	:	The main board rules of the SGX-ST, as amended, modified and/or supplemented from time to time
<i>Mixed-ownership Reform”</i>	:	The reform of state-owned enterprises pursuant to the general planning of the Tianjin Municipal Committee of the Communist Party of China, Tianjin Municipal People's Government and Tianjin SASAC. Please refer to the announcements made by the Company on the SGXNet on 9 October 2018, 15 June 2020, 28 September 2020, 20 December 2020, 22 December 2020, 1 February 2021 and 26 March 2021 for further details
<i>“NC” or “Nomination Committee”</i>	:	The Nomination Committee of the Company as at the date of this Circular, comprising Ms. Li Qing and Mr. Wong Gang
<i>“Non-compete Undertaking”</i>	:	Has the meaning ascribed to it in Section 6.1.2 of this Circular
<i>“Notice of EGM”</i>	:	The notice of the EGM, as set out on pages N-1 to N-3 of this Circular
<i>“PRC”</i>	:	People's Republic of China
<i>“principal commitment”</i>	:	Includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations, as defined in the Code. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments
<i>“Proposals”</i>	:	The Proposed Appointment of Director, the Proposed Appointment of Supervisor, the Proposed Extension of Undertaking, the Grant of LOC and the 2021 Proposed AOA Amendments collectively
<i>“Proposed Appointment of Director”</i>	:	The proposed appointment of Ms. Zhang Mingrui as Non-Executive and Non-Independent Director of the Company
<i>“Proposed Appointment of Supervisor”</i>	:	The proposed appointment of Mr. Xing Jianhua as Supervisor of the Company
<i>“Proposed Extension of Undertaking”</i>	:	The proposed extension of time to perform the non-compete undertaking by the Controlling Shareholder of the Company, TPH
<i>“Proposed Placement”</i>	:	Has the meaning ascribed to it in Section 6.1.1 of this Circular
<i>“Reserved Restricted A-</i>	:	The Restricted A-Shares granted under the Scheme

<i>Shares</i>	:	excluding the Initial Granted Restricted A-Shares
<i>“Restricted A-Shares”</i>	;	A-Shares granted under the Scheme which shall be subject to the terms and conditions of the Scheme
<i>“S-Shares”</i>	:	Ordinary shares issued by the Company under the PRC Company Law, comprising shares issued to natural and legal persons in countries other than PRC and which are denominated in US\$
<i>“S-Share Shareholders”</i>	:	Holders of S-Shares
<i>“Scheme”</i>	:	The 2019 Restricted A-Share Incentive Scheme of the Company. Please refer to the Company’s circular dated 15 November 2019 for further details
<i>“Securities Accounts”</i>	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified and/or supplemented from time to time
<i>“SGX-ST” or “Exchange”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Registered holders of Shares (comprising A-Share Shareholders and S-Share Shareholders) except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company, including A-Shares and S-Shares
<i>“SSE Listing Rules”</i>	:	The Listing Rules of Shanghai Stock Exchange (《上海证券交易所股票上市规则》)
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5.0%) of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
<i>“Supervisors”</i>	:	The supervisors of the Company as at the date of this Circular, namely, Mr. Wang Yuanxi, Mr. Zhao Zhibin and Ms. Guo Xiumei
<i>“Supervisory Committee”</i>	:	The supervisory committee of the Company as at the date of this Circular, comprising Mr. Wang Yuanxi (Chairman of the Supervisory Committee), Mr. Zhao Zhibin (Supervisor) and Ms. Guo Xiumei (Employee Supervisor). The Supervisory Committee is responsible for, amongst others, supervising the

acts of directors and senior managerial personnel in performing their duties of the Company, and putting forward proposals of dismissing the directors and senior managerial personnel who act against the laws, administrative regulations, the Articles of Association or resolutions of the general meeting of Shareholders, and such other functions and responsibilities as more particularly described in Section 4.3 of this Circular

<i>“Tianjin SASAC”</i>	:	The State-owned Assets Supervision and Administration Commission of Tianjin Municipal People’s Government
<i>“TPH”</i>	:	Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司), the Controlling Shareholder of the Company as at the Latest Practicable Date
<i>“TPG Taiping”</i>	:	Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (天津医药集团太平医药有限公司), a subsidiary of TPH as at the Latest Practicable Date
<i>“Transfer”</i>	:	The transfer (either via share or asset sales) of TPH’s subsidiaries that are in the Company’s sales business segment to the Company or independent third parties
<i>“RMB”</i>	:	Renminbi, the lawful currency of the PRC
<i>“US\$”</i>	:	United States Dollars, the lawful currency of the United States of America
<i>“%” or “per cent.”</i>	:	Percentage or per centum

The terms “Depositor”, “Depository”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Manual, the SFA or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Listing Manual or the SFA, as the case may be, unless the context otherwise requires.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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

Board of Directors

Ms. Li Yan (Chairman and Executive Director)
Mr. Guo Min (Executive Director)
Mr. Wang Mai (Executive Director)
Mr. Zhou Hong (Executive Director)
Mr. Zhang Ping (Non-Executive and Non-Independent Director)
Mr. Wong Gang (Lead Independent and Non-Executive Director)
Mr. Liew Yoke Pheng Joseph (Independent and Non-Executive Director)
Ms. Li Qing (Independent and Non-Executive Director)

Registered Office

17 Baidi Road,
Nankai District,
Tianjin, the PRC

25 November 2021

To: The Shareholders of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited

Dear Sir/Madam

- (1) THE PROPOSED APPOINTMENT OF MS. ZHANG MINGRUI AS NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EXTRAORDINARY GENERAL MEETING (THE “PROPOSED APPOINTMENT OF DIRECTOR”);**
- (2) THE PROPOSED APPOINTMENT OF MR. XING JIANHUA AS SUPERVISOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EXTRAORDINARY GENERAL MEETING (THE “PROPOSED APPOINTMENT OF SUPERVISOR”);**
- (3) THE PROPOSED EXTENSION OF TIME TO PERFORM THE NON-COMPETE UNDERTAKING BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, TIANJIN PHARMACEUTICAL HOLDINGS CO., LTD. (THE “PROPOSED EXTENSION OF UNDERTAKING”);**
- (4) THE LINE OF CREDIT GRANTED TO THE COMPANY BY SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD. UP TO A LIMIT OF RMB1,300 MILLION (THE “GRANT OF LOC”); AND**
- (5) THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (THE “2021 PROPOSED AOA AMENDMENTS”) AND THE APPLICATION FOR CHANGES IN THE INDUSTRIAL AND COMMERCIAL REGISTRATION,**
(COLLECTIVELY, THE “PROPOSALS”).

1. INTRODUCTION

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval for, the Proposals, at the forthcoming EGM to be held on 10 December 2021 at 2:00 p.m. at the meeting room of Zhongxin Mansion, No. 17 Baidi

Road, Nankai District, Tianjin, the People's Republic of China 300193 (concurrently, the EGM will be held by way of electronic means for S-Share Shareholders in Singapore).

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Shook Lin & Bok LLP is the legal adviser to the Company as to Singapore law in relation to the Proposals.

2. THE PROPOSED APPOINTMENT OF DIRECTOR

2.1 Background and Rationale

Pursuant to Article 125 of the Articles of Association, the Company shall have a board of directors comprising nine (9) directors. Due to the resignation of Mr. Tang Tiejun as a director of the Company, which was announced by the Company on 21 October 2021, the Company intends to appoint Ms. Zhang Mingrui as Non-Executive and Non-Independent Director of the Company to fill the Board vacancy by way of resolution to be passed at the EGM.

Article 126(1) of the Company's Articles of Association provides that a director shall be a natural person and shall be elected by the shareholders according to the said Article for a term of three (3) years. In compliance with Article 126(1) of the Company's Articles of Association, the EGM is being convened to seek Shareholders' approval for the Proposed Appointment of Director.

The appointment of Ms. Zhang Mingrui as a director of the Company will take effect upon approval of the Proposed Appointment of Director being obtained at the EGM.

2.2 Information on Ms. Zhang Mingrui

Ms. Zhang Mingrui, born in November 1975, holds a Bachelor's Degree in Finance from Guiyang University of Finance and Economics (formerly known as Guiyang College of Finance and Economics), a Master of Business Administration Degree from Chongqing University and an Executive Master of Business Administration Degree from Hongkong University of Science and Technology. From January 2006 to March 2011, she held the position of General Manager of Taiji Group Sales Company (太极集团销售总公司). From March 2011 to May 2021, she served as Executive Deputy General Manager of Taiji Group Co., Ltd. (太极集团有限公司). Ms. Zhang had been a director of Chongqing Taiji Industry (Group) Co., Ltd. (重庆太极实业(集团)股份有限公司) from May 2017 to July 2021. She had also served as Deputy General Manager of Chongqing Taiji Industry (Group) Co., Ltd. (重庆太极实业(集团)股份有限公司) for the period from May 2021 to July 2021. Since July 2021, Ms. Zhang has been working in TPH. As at the Latest Practicable Date, TPH is a Controlling Shareholder of the Company.

2.3 Information required pursuant to Listing Rule 720

Listing Rule 720(6) provides that when a candidate is proposed to be appointed for the first time or re-elected to the board at a general meeting, the issuer shall provide the information relating to the candidate as set out in Appendix 7.4.1 of the Listing Manual in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting.

The information on Ms. Zhang Mingrui as required pursuant to Listing Rule 720 is set out below:

Date of appointment	10 December 2021 (being the date of the EGM), subject to obtaining Shareholders' approval at the EGM
Date of last re-appointment (if applicable)	Not applicable
Name of person	Zhang Mingrui (张铭芮)
Age	45
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Approved
Whether appointment is executive, and if so, the area of responsibility	Duties as a Non-Executive Director of the Company
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director
Professional qualifications	Ms. Zhang Mingrui holds a Bachelor's Degree in Finance from Guiyang University of Finance and Economics (formerly known as Guiyang College of Finance and Economics), a Master of Business Administration Degree from Chongqing University and an Executive Master of Business Administration Degree from Hongkong University of Science and Technology.
Working experience and occupation(s) during the past 10 years	From January 2006 to March 2011, she held the position of General Manager of Taiji Group Sales Company (太极集团销售总公司). From March 2011 to May 2021, she served as Executive Deputy General Manager of Taiji Group Co., Ltd. (太极集团有限公司). Ms. Zhang had been a director of Chongqing Taiji Industry (Group) Co., Ltd. (重庆太极实业(集团)股份有限公司) from May 2017 to July 2021. She had also served as Deputy General Manager of Chongqing Taiji Industry (Group) Co., Ltd. (重庆太极实业(集团)股份有限公司) for the period from May 2021 to July 2021. Since July 2021, Ms. Zhang has been working in TPH (a Controlling Shareholder of the Company).
Shareholding interest in the listed issuer and	No

its subsidiaries	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships [#]	
* "Principal Commitments" has the same meaning as defined in the Code.	
[#] These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	
Past (for the last 5 years)	Director of Chongqing Taiji Industry (Group) Co., Ltd. (重庆太极实业(集团)股份有限公司)
Present	Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of	No

any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or	No

elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange? If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	No The Company will arrange for Ms. Zhang Mingrui to attend training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, in accordance with Rule 210(5)(a) and Practice Note 2.3 of the Listing Manual of the SGX-ST.

2.4 Responsibility of Ms. Zhang Mingrui as Non-Executive and Non-Independent Director of the Company

Subject to the receipt of Shareholders' approval for the Proposed Appointment of Director, Ms. Zhang Mingrui will perform her duty as director of the Company in line with the Articles of Association upon her appointment as Non-Executive and Non-Independent Director. Pursuant to Article 132 of the Articles of Association, the Board has the following functions and duties, amongst others:

- (i) be responsible for calling the general meetings of the Company, and also report its work to the general meetings;
- (ii) implement the resolutions of the general meetings of the Company;
- (iii) determine the business plans and investment schemes of the Company;
- (iv) determine within the scope of authorisation by the general meetings of the Company such matters of the Company such as external investment, acquisition and sale of assets, asset mortgage, external guarantees, asset management on trust, and associated transactions;
- (v) prepare annual financial budget programmes and final account programmes of the Company; and
- (vi) undertake other functions and powers authorised by laws, administrative regulations, rules of departments or the Articles of Association.

2.5 Terms of Service Agreement

No service agreement has been proposed to be entered into in respect of Ms. Zhang Mingrui's appointment as Non-Executive and Non-Independent Director. However, subject to her appointment to the Board, the remuneration of Ms. Zhang Mingrui, together with the other Directors as a whole, will be reviewed and approved annually by the Shareholders at the annual general meeting of the Company.

3. THE COMPOSITION OF THE BOARD AND THE RESPECTIVE BOARD COMMITTEES AFTER THE PROPOSED APPOINTMENT OF DIRECTOR

Board of Directors

Executive Directors:

Mr. Guo Min
Ms. Li Yan
Mr. Wang Mai
Mr. Zhou Hong

Non-Executive and Non-Independent Directors:

Ms. Zhang Mingrui
Mr. Zhang Ping

Independent and Non-Executive Directors:

Mr. Wong Gang
Mr. Liew Yoke Pheng Joseph
Ms. Li Qing

Audit Committee

Mr. Liew Yoke Pheng Joseph (Chairman)
Mr. Wong Gang
Ms. Li Qing

Nomination Committee

Ms. Li Qing (Chairman)
Ms. Zhang Mingrui
Mr. Wong Gang

Remuneration Committee

Mr. Wong Gang (Chairman)
Mr. Liew Yoke Pheng Joseph
Mr. Zhang Ping

Strategy Committee

Mr. Guo Min (Chairman)
Ms. Li Yan
Ms. Li Qing

Pursuant to Provision 2.2 of the Code, the independent directors should make up a majority

of the board of directors where *inter alia* the chairman is part of the management team, or the chairman is not an independent director.

As at the date of this Circular, Ms. Li Yan, an Executive Director of the Company, is also the temporary Chairman of the Board and is (a) part of the management team and (b) not an independent director. Notwithstanding the foregoing, the Board believes that the existing governance structure involving the delegation of certain functions and authority to several Board committees, and the fact that these committees comprise a majority of independent Directors and each of them is chaired by an independent Director (save for the Strategy Committee), would provide for a balance of power and authority within the Board. Further, the Board is of the view that there is an appropriate level of independence and diversity of thought and background in the composition of the Board to enable the Board to make decisions in the best interests of the Company as non-executive Directors make up a majority of the Board, and the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. Taking into consideration the foregoing, the requirements of the China Securities Regulatory Committee (i.e., the CSRC), the Shanghai Stock Exchange and the SGX-ST, and the fact that the Board will comprise nine (9) members if Ms. Zhang Mingrui's appointment as a Director of the Company is approved by Shareholders at the EGM, the Company will use its best endeavours to satisfy the requirements of the Code.

4. THE PROPOSED APPOINTMENT OF SUPERVISOR

4.1 Background and Rationale

As the term of office of Mr. Zhao Zhibin as a Supervisor of the Company is expiring soon, the Company intends to appoint Mr. Xing Jianhua as Supervisor of the Company to replace Mr. Zhao Zhibin, by way of resolution to be passed at the EGM, with effect from the date of the EGM.

4.2 Information on Mr. Xing Jianhua

Mr. Xing Jianhua, born in August 1971, holds a Bachelor's Degree in Engineering and a Master of Accounting Degree. From March 2014 to February 2018, he held concurrent positions as Deputy General Manager and Chief Accountant of CGNPC Uranium Resources Co., Ltd. (中广核铀业发展有限公司). From February 2018 to May 2021, he served as Person-in-charge of Finance of China Xiongan Group Co., Ltd. (中国雄安集团有限公司). Since May 2021, Mr. Xing has been appointed as Chief Financial Officer of TPH. As at the Latest Practicable Date, TPH is a Controlling Shareholder of the Company.

Please refer to the Appendix A for further disclosure pursuant to Appendix 7.4.1 of the Listing Manual.

4.3 Responsibility of Mr. Xing Jianhua as Supervisor of the Company

Subject to the receipt of Shareholders' approval for the Proposed Appointment of Supervisor, Mr. Xing Jianhua will perform his duty as Supervisor in line with the Articles of Association upon his appointment as Supervisor. Pursuant to Article 179 of the Articles of Association, the Supervisory Committee has the following functions and powers, including:

- (i) examine the regular reports of the Company prepared by the Board of Directors, and also give written opinions of examination;

- (ii) check financial affairs of the Company;
- (iii) supervise the acts of directors and senior managerial personnel in performing their duties of the Company, and put forward proposals of dismissing the directors and senior managerial personnel who act against the laws, administrative regulations, the Articles of Association or resolutions of the general meeting of Shareholders;
- (iv) ask directors and senior managerial personnel to make corrections when their acts do harm to the interests of the Company;
- (v) submit motions on convening extraordinary general meetings of Shareholders, and call and chair general meetings of Shareholders when the Board of Directors does not perform its duty of calling and chairing general meetings of Shareholders as stipulated by the Company Law;
- (vi) submit motions to the general meeting of Shareholders;
- (vii) file lawsuits against directors and senior managerial personnel as stipulated under Article 152 of the Company Law;
- (viii) conduct investigations in case of finding abnormal circumstances in the Company's operations; if necessary, appoint accounting firms, law firms, and other specialised organisations to assist its work, and the costs thereof are borne on the Company; and
- (ix) other functions and powers as authorised by the general meeting of Shareholders.

4.4 Terms of Service Agreement

No service agreement has been proposed to be entered into for Mr. Xing Jianhua's appointment as Supervisor. However, subject to his appointment to the Supervisory Committee, the remuneration of Mr. Xing Jianhua together with the other Supervisors as a whole, will be reviewed and approved annually by the Shareholders at the annual general meetings of the Company.

5. THE COMPOSITION OF THE SUPERVISORY COMMITTEE AFTER THE PROPOSED APPOINTMENT OF SUPERVISOR

As at the date of this Circular, the Supervisory Committee comprises the following Supervisors: Mr. Wang Yuanxi (Chairman of the Supervisory Committee), Mr. Zhao Zhibin (Supervisor) and Ms. Guo Xiumei (Employee Supervisor).

Subject to Shareholders' approval for the Proposed Appointment of Supervisor being obtained at the EGM, the Supervisory Committee shall comprise the following Supervisors after the appointment of Mr. Xing Jianhua:

- (1) Mr. Wang Yuanxi (Chairman of the Supervisory Committee);
- (2) Mr. Xing Jianhua (Supervisor); and
- (3) Ms. Guo Xiumei (Employee Supervisor).

6. THE PROPOSED EXTENSION OF UNDERTAKING

6.1 The Non-compete Undertaking

- 6.1.1 Shareholders had, at an extraordinary general meeting held on 18 August 2014, approved the proposed allotment and issue of up to 90,000,000 A-Shares in the capital of the Company to the placees (the “**Proposed Placement**”). Pursuant to the Company’s circular dated 1 August 2014 which contains information on, amongst others, the Proposed Placement, the Proposed Placement was subject to the approval of the CSRC.
- 6.1.2 Further to the aforementioned extraordinary general meeting, the CSRC had informed that in relation to the Proposed Placement and as part of its approval process, TPH was required to give a non-compete undertaking (the “**Non-compete Undertaking**”). Accordingly, the Company had, on 7 January 2015, announced that TPH had given such undertaking in favour of the Company.
- 6.1.3 Subsequently, pursuant to comments from the CSRC, TPH had amended its Non-compete Undertaking and the Company had, in its announcement dated 28 April 2015, disclosed the details of the amended Non-compete Undertaking.
- 6.1.4 In 2016, TPH had then sought an extension of time to fulfil its undertaking to reduce its shareholding in Tianjin Chinese Medicinal Slices Co., Ltd. (i.e., undertaking as set out in Section 6.1.7(b) of this Circular below) by 31 December 2016, which was announced by the Company on 11 January 2016. Pursuant to Shareholders’ approval being obtained at an extraordinary general meeting of the Company held on 24 October 2016, the aforementioned time extension was granted to TPH. For the avoidance of doubt, this undertaking has been fulfilled by TPH.
- 6.1.5 In 2017, TPH had then also sought an extension of time to undertake to transfer (either via share or asset sales) its subsidiaries that are in the Company’s sales business segment to the Company or independent third parties (i.e., the Transfer, being the undertaking as set out in Section 6.1.7(c) of this Circular below) by 31 December 2018. Pursuant to Shareholders’ approval being obtained at an extraordinary general meeting of the Company held on 10 October 2017, the aforementioned time extension was granted to TPH.
- 6.1.6 Further to the above, in 2018, TPH had then sought an extension of time to fulfil its undertaking to carry out the Transfer by 31 December 2021 (i.e., the 2018 Extension). The rationale for the 2018 Extension, as set out in the circular issued by the Company to its Shareholders on 13 December 2018 in relation to the 2018 Extension (i.e., the 2018 Circular) was that (i) in the second half of 2017, TPH had pushed forward the Transfer in accordance with the undertaking to carry out the Transfer by 31 December 2018, and had carried out assets and capital verification pursuant to the then requirements regulating the transfer of state-owned assets. However, with the progress of the audit, it was found that TPG Taiping (which, as stated in Section 6.2 of this Circular below, is the subsidiary of TPH that is in the Company’s sales business segment) had various historical issues in relation to, *inter alia*, the write-off of receivables, the state-allocated land and the adjustment of the business process (i.e., the Historical Issues), which had to be settled before carrying out the Transfer, and (ii) TPH was required to start taking steps in relation to the Mixed-ownership Reform, and it was challenging for TPH to implement the Mixed-ownership Reform and to fulfil its obligations under the Transfer at the same time, as TPG Taiping has a great impact on the overall valuation of TPH. Hence, in order to protect the interests of the minority shareholders, TPH sought to defer the fulfilment of its obligations in relation to the Transfer by 31 December 2021. Pursuant to Shareholders’ approval being obtained at

an extraordinary general meeting of the Company held on 28 December 2018, the aforementioned time extension was granted to TPH.

6.1.7 The full details of the Non-compete Undertaking given by TPH presently are as follows:

- (a) TPH and its subsidiaries shall not, whether directly or indirectly (including but not limited to sole proprietorship, joint venture, holding interests in other companies or enterprises), conduct any business in competition with the businesses of any branch companies and subsidiaries of the Company.
- (b) As at the date of the Non-compete Undertaking, except for Tianjin Chinese Medicinal Slices Co., Ltd. (an indirect subsidiary of TPH), TPH does not have any subsidiaries that are in competition with the Company's manufacturing business segment. TPH undertakes to reduce its shareholding in Tianjin Chinese Medicinal Slices Co., Ltd. to 45% or below by 31 December 2016. For the avoidance of doubt, this undertaking has been fulfilled by TPH.
- (c) In relation to the Company's sales business segment, TPH undertakes to transfer (either via share or asset sales) its subsidiaries that are in this segment to the Company or independent third parties (i.e., the Transfer) by 31 December 2021. Except for TPH, this transfer shall not involve any Strategic Investors (under the applicable rules of the CSRC, a "Strategic Investor" refers to a shareholder who holds less than 50% shareholding in the Company).
- (d) TPH shall obtain all relevant approvals required under the relevant state-owned assets management rules for the purposes of this Non-compete Undertaking (including, if required, the approval of the State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government (i.e., Tianjin SASAC). If approval cannot be obtained, TPH will strive to resolve the conflict of interest via other legal means.
- (e) After the abovementioned share or asset sales set out in Section 6.1.7(c) of this Circular (i.e., the Transfer), TPH shall monitor its business activities for any other potential conflicts of interest with the Company. Where there are any potential conflicts, TPH shall carry out the following measures:
 - (i) when deemed necessary by the Company, TPH shall reduce its shareholding interest in a competing subsidiary such that TPH is no longer in control of, or holds no shareholding interest in the competing subsidiary;
 - (ii) when deemed necessary by the Company, the Company shall have the right to purchase the shares, assets or business of the competing subsidiary;
 - (iii) when a situation arises that results in a conflict of interest between TPH and the Company, TPH shall unconditionally resolve the conflict of interest in favour of the Company; and
 - (iv) unconditionally accept any measures proposed by the Company to resolve any other conflicts of interest.
- (f) In the event that TPH and its subsidiaries breach the Non-compete Undertaking, TPH shall (a) compensate any losses suffered by the Company and its branch companies, subsidiaries or joint ventures; and (b) pay all profits derived from competing businesses as a result of the breach to the Company.

As at the Latest Practicable Date, TPH is of the view that it is unable to fulfil its obligations to undertake the Transfer by 31 December 2021 for the reasons stated in Section 6.2 of this Circular below. Accordingly, in accordance with the Guideline No.4, the Company would like to seek Shareholders' approval to grant an extension of time to TPH to undertake the Transfer by 31 December 2024. For the avoidance of doubt, CSRC's approval in itself need not be sought for the Proposed Extension of Undertaking.

6.2 Rationale for the Proposed Extension of Undertaking

At present, the subsidiary of TPH which is in the Company's sales business segment is Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (天津医药集团太平医药有限公司) ("**TPG Taiping**"). As TPG Taiping has been incorporated for a long period of time, it has a large business volume, many branch offices and a complex composition of personnel and assets. As mentioned in the 2018 Circular, with the progress of the audit, it was found that TPG Taiping had various Historical Issues, and more time is needed to address these Historical Issues.

In addition, TPH has just completed the Mixed-ownership Reform in March 2021. Accordingly, its controlling shareholder has changed, and there is no longer an actual controller (as determined in accordance with the laws of the PRC) of TPH. Prior to the completion of the Mixed-ownership Reform, the direct controlling shareholder of TPH was Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海国有资产经营管理有限责任公司) ("**Bohai State-owned Assets Management**") and the actual controller (as determined in accordance with the laws of the PRC) of TPH was Tianjin SASAC. Following the completion of the Mixed-ownership Reform, the controlling shareholder of TPH has changed from Bohai State-owned Assets Management to Jinhushen Biological Medical Science and Technology Co., Ltd (津沪深生物医药科技有限公司) ("**Jinhushen**"). As Jinhushen does not have an actual controller (as determined in accordance with the laws of the PRC), there is accordingly no longer any actual controller (as determined in accordance with the laws of the PRC) of TPH. As at the date of this Circular, the future development plan of TPH is still under deliberation, and the positioning of TPG Taiping is to be determined based on TPH's overall development plan.

Furthermore, as mentioned above, TPG Taiping is subject to various Historical Issues and it is necessary to settle the Historical Issues before carrying out the Transfer. The purpose of injecting TPG Taiping into the Company (i.e., the Transfer) is to benefit the Shareholders and enhance the profits of the Company, and fundamentally, to protect the interests of the minority shareholders of the Company. The injection of TPG Taiping into the Company (i.e., the Transfer) should not increase the liabilities or lower the financial indicators of the Company. TPG Taiping currently has a high asset-liability ratio and low profitability, and there is a significant gap between these financial indicators of TPH Taiping and that of the Company. If the injection of TPG Taiping into the Company (i.e., the Transfer) takes place now, it will not bring value to the Company and will be detrimental to the interests of the Shareholders. As such, the Company is of the view that it is not presently a good time to undertake the injection of TPG Taiping into the Company (i.e., the Transfer), and that the injection should only occur after TPG Taiping's asset-liability ratio has improved favourably and its profitability has increased. Moreover, as TPG Taiping is heavily in debt, the transfer of TPH's majority shareholdings in TPG Taiping to independent third parties can be carried out only after TPG Taiping has repaid most of its debt. TPG Taiping is currently unable to do so and the aforementioned transfer of majority shareholding is subject to the consent of TPG Taiping's creditors. As TPH has just completed the Mixed-ownership Reform in March 2021, it is still in the process of sorting out the assets and liabilities of TPG Taiping and it is difficult to repay all of TPG Taiping's debt within a short period of time. Therefore, the

conditions for TPH to transfer its majority shareholding in TPG Taiping to independent third parties has also not been met.

In view of the above, it is very difficult for TPH to undertake the Transfer by 31 December 2021. Therefore, in order to protect the interests of minority shareholders of the Company, TPH has requested for an extension of time to undertake the Transfer by 31 December 2024.

6.3 Further details on the Proposed Extension of Undertaking

- 6.3.1 TPG Taiping was incorporated on 29 September 1994 and its current registered capital is RMB411,445,920. The legal representative of TPG Taiping is Mr. Tian Gang. The business scope of TPG Taiping includes the wholesale trading of Chinese medicine, Chinese herbal medicine, Chinese medicine Pieces, chemical raw materials and their preparations, antibiotics, biochemical drugs, biological products (including in vitro diagnostic drugs), narcotic drugs, the first class of psychotropic drugs, the second category of psychotropic drugs, protein assimilation agents, peptide hormones, and pharmaceutical products precursor chemicals, as well as the wholesale trading of health foods. TPG Taiping mainly engages in pharmaceutical professional promotion, marketing and agency.
- 6.3.2 Since the time that TPH had given the undertaking relating to the Transfer as set out in Section 6.1.7(c) of this Circular above, it has been actively trying to push forward the Transfer. Even with the commencement of the Mixed-ownership Reform in October 2018, TPH was still actively carrying out the relevant works in relation to the Transfer, including taking actions to try to resolve the various Historical Issues and engaging with potential transferee(s). However, with the implementation of the Mixed-ownership Reform entering into an advance stage, TPH was required to focus on and complete the Mixed-ownership Reform first. As at the date of this Circular, the progress and status of the Transfer are as follows:
- (a) TPH had carried out the capital verification work of TPG Taiping and is in the process of resolving the various Historical Issues (including addressing the issues in relation to its land properties). The various land properties of TPG Taiping are state-allocated land and the transfer of such land properties is subject to the fulfilment of the state-owned construction land use right transfer procedures, and TPG Taiping is currently going through the abovementioned procedures; and
 - (b) TPH had gradually sorted out the assets of TPG Taiping, and had divested the non-core and non-strategic businesses of TPG Taiping (including one real estate company and one company engaged in the sale of medical devices) so as to facilitate further integration of TPG Taiping's internal resources and to enhance the quality of the development of TPG Taiping. In addition, two companies in which TPH had a smaller shareholding interest and which had performed poorly had also been transferred by TPH for the purpose of gradually optimizing TPG Taiping's asset structure and improving its capabilities of risk prevention and control.

Meanwhile, TPH has also engaged with the intended transferee(s) in respect of the potential transfer of TPH's majority shareholding in TPG Taiping to independent third parties, and cooperated with the third party in carrying out relevant works such as preliminary due diligence. However, since TPG Taiping is heavily in debt, for the reasons set out in Section 6.2 of this Circular, the transfer of TPH's majority shareholding in TPG Taiping cannot be undertaken at the current juncture. Accordingly, there is no further discussion or negotiation between the intended transferee(s) and TPH.

6.3.3 TPH will use its best efforts to expedite the Transfer and complete the Transfer by 31 December 2024, by taking the following steps:

- (a) to determine the positioning of TPG Taiping based on TPH's overall development plan, and further optimise TPG Taiping's asset structure; and
- (b) to approach potential, and to determine, suitable transferee(s) and to negotiate with such suitable transferee(s) on the Transfer as soon as possible.

6.4 Opinions from the Independent Directors

The Independent Directors are of the view that the Proposed Extension of Undertaking is in compliance with the Guideline No. 4, and the deliberation and decision-making procedures in relation to the Proposed Extension of Undertaking are in compliance with the provisions of relevant laws and regulations including the Company Law and the SSE Listing Rules, as well as the Articles of Association of the Company. The Proposed Extension of Undertaking will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

6.5 Opinions from the Supervisory Committee

The Supervisory Committee is of the view that the Proposed Extension of Undertaking is in compliance with the Guideline No. 4, and the deliberation and decision-making procedures in relation to the Proposed Extension of Undertaking are in compliance with the provisions of relevant laws and regulations including the Company Law and the SSE Listing Rules, as well as the Articles of Association of the Company. The Proposed Extension of Undertaking will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

6.6 Impact on the Company

The Proposed Extension of Undertaking will not have any adverse impact on the Company's future operating results and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

7. THE GRANT OF LOC

The Company has obtained a line of credit up to a limit of RMB1,300 million from Shanghai Pudong Development Bank Co., Ltd. (上海浦东发展银行股份有限公司), which has a term of one (1) year.

Pursuant to Article 111 of the Articles of Association, in the event that the aggregate value of all loan facilities/credit limits granted by the banks during the same financial year amounts to 20% or more of the Group's latest audited net tangible assets ("NTA") value, Shareholders' approval is required for obtaining such loan facilities/credit limits from the banks.

During the Company's annual general meeting held on 17 May 2021, Shareholders had approved the grant of line of credit aggregating to a limit of RMB6,980 million. The Group's latest audited NTA as at 31 December 2020 was RMB5,968,940,000, and thus, the loan facility of RMB6,980 million amounted to approximately 116.94% of the Group's latest audited NTA. As the value of this RMB6,980 million loan facility has already exceeded 20% of the Group's latest audited NTA, under the requirements of Article 111 of the Company's

Articles of Association, any subsequent single transaction of loan facility within the same financial year would require Shareholders' approval.

In addition, the new proposed loan facility of RMB1,300 million by itself amounts to 21.78% of the Group's latest NTA, which requires Shareholders' approval. When aggregating this new proposed loan facility of RMB1,300 million with the previous loan facility of RMB6,980 million (which had already been approved at the annual general meeting held on 17 May 2021), the aggregate loan facility amount will be RMB8,280 million for FY2021, amounting to approximately 138.72% of the Group's latest audited NTA value. As such, Shareholder's approval is required for this new proposed line of credit of RMB1,300 million.

Subject to the Shareholders' approval, the following line of credit will be provided to the Company in its ordinary course of business, with a maturity term of one (1) year from the date of the EGM approval. The line of credit, if granted and utilised by the Group, will be used for the Group's working capital.

Details of the line of credit is as follows:

No.	Name of bank	Line of Credit (RMB)	Maturity term
1.	Shanghai Pudong Development Bank Co., Ltd.	1,300 million	One (1) year

8. THE 2021 PROPOSED AOA AMENDMENTS AND THE APPLICATION FOR CHANGES IN THE INDUSTRIAL AND COMMERCIAL REGISTRATION

8.1 Rationale for the 2021 Proposed AOA Amendments

Following several events in connection with the 2019 Restricted A-Share Incentive Scheme (the "**Scheme**") as described in Section 8.2 of this Circular below, the registered capital of the Company has changed. Accordingly, the Company is required in accordance with the requirements of PRC law to amend and update the registered share capital numbers in the Articles of Association as a result of the various corporate events. The Company will be updating Article 19 of its Articles of Association, which sets out a brief description of the changes to the registered capital of the Company over the years, as well as Article 22 of its Articles of Association, which sets out the registered capital of the Company, to reflect the foregoing. The proposed amendments to Articles 19 and 22 of the Articles of Association are set out in Section 8.3 of this Circular below.

Save for the above, there are no other amendments proposed to be made to the Articles of Association at this juncture.

8.2 Background to the 2021 Proposed AOA Amendments

Prior to the extraordinary general meeting of the Company held on 2 December 2019, the Company's registered capital was RMB768,873,076. As a consequence of the following corporate events which took place between December 2019 and August 2021, the Company's registered capital will be changed to RMB773,443,076:

- (a) On 2 December 2019, the Company duly convened its 2nd extraordinary general meeting in 2019 (the "**2019 2nd EGM**"), and the Shareholders at the 2019 2nd EGM considered and approved the proposed adoption of the Scheme. The Scheme involves the issuance of Restricted A-Shares to eligible participants, and purports to

further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully motivate the key personnel of the Company, and align the interests of the Shareholders and the Company with individual interests of the members of management team of the Company so that all parties will make joint efforts for the long-term development of the Company. The incentive instruments issued under the Scheme were Restricted A-Shares only, and no S-Shares were issued or will be issued under the Scheme. Please refer to the Company's circular dated 15 November 2019 for further details of the Scheme, and the announcement dated 2 December 2019 made by the Company in relation to the poll results of the 2019 2nd EGM.

- (b) On 9 December 2019:
 - (i) the Company duly convened its 10th Board meeting for FY2019, and the Board considered and approved the proposed 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; and
 - (ii) a total of 3,930,000 Restricted A-Shares were granted to the participants of the Scheme. Accordingly, the total number of shares in the capital of the Company increased from 768,873,076 shares to 772,803,076 shares, and the registered capital of the Company increased from RMB768,873,076 to RMB772,803,076.

Please refer to the announcements made by the Company on 9 December 2019 for further details on the foregoing.

- (c) 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 repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme. As one (1) of the participants of the Scheme was no longer eligible to participate in the Scheme due to her resignation from the Company, the Company had proposed 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 "**1st Proposed Repurchase**"). Please refer to the announcements made by the Company on 17 February 2020 for further details on the foregoing.
- (d) On 6 July 2020, the Company duly convened its 5th Board meeting for FY2020, and the Board considered and approved the proposed grant of a total number of 940,000 Reserved Restricted A-Shares to the participants under the Scheme. Please refer to the announcements made by the Company on 6 July 2020 for further details on the foregoing.
- (e) On 27 July 2020, the Company completed the procedures for the registration of a total number of 940,000 Reserved Restricted A-Shares granted under the Grant of Reserved Restricted A-Shares. As the Company had not completed the 1st Proposed Repurchase then, the total number of shares in the capital of the Company increased from 772,803,076 shares to 773,743,076 shares, and the registered capital of the Company increased from RMB772,803,076 to RMB773,743,076.
- (f) 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 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 under the Scheme, as well as the proposed amendments to the Articles of Association of the Company (the “**2020 Proposed AOA Amendments**”) and application for changes in the industrial and commercial registration. As one (1) of the participants of the Scheme was no longer eligible to participate in the Scheme due to such participant’s resignation from the Company, the Company had proposed to repurchase and cancel all of the 30,000 Restricted A-Shares granted to such participant but not yet released from the lock-up requirements under the Scheme (the “**2nd Proposed Repurchase**”). Please refer to the announcements made by the Company on 14 August 2020 for further details on the foregoing.

- (g) 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 the 2020 Proposed AOA Amendments in relation to the amendments to Articles 19 and 22 of the Articles of Association. Please refer to the Company’s circular dated 15 September 2020 for further details of the 2020 Proposed AOA Amendments, and the announcement dated 30 September 2020 made by the Company in relation to the poll results of the 2020 1st EGM.
- (h) On or around 30 October 2020, the Company completed the 1st Proposed Repurchase and the 2nd Proposed Repurchase. Upon completion of the 1st Proposed Repurchase and the 2nd Proposed Repurchase, the total number of shares in the capital of the Company was reduced from 773,743,076 shares to 773,643,076 shares, and the registered capital of the Company was also reduced from RMB773,743,076 to RMB773,643,076. Please refer to the announcement dated 27 October 2020 made by the Company for further details on the foregoing.
- (i) 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 2nd adjustment to the repurchase price of the Restricted A-Shares granted under the Scheme and the 3rd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements, as well as the proposed amendments to the Articles of Association of the Company (i.e., the 2021 Proposed AOA Amendments) and application for changes in the industrial and commercial registration. Given that five (5) 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 (3) are due to their retirement and two (2) (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 (the “**3rd Proposed Repurchase**”). Please refer to the announcements made by the Company on 13 August 2021 for further details on the foregoing.

As at the Latest Practicable Date, the Company has not yet completed the 3rd Proposed Repurchase. Upon completion of the 3rd Proposed Repurchase, the total number of shares in the capital of the Company will be reduced from 773,643,076 shares to 773,443,076 shares, and the registered capital of the Company will also be reduced from RMB773,643,076 to RMB773,443,076.

8.3 Amendments to the Articles of Association

The proposed amendments to the Articles of Association are set out below.

8.3.1 Proposed amendments to Article 19 of the Articles of Association

Article 19 of the Company's Articles of Association sets out a brief description of the changes to the registered capital of the Company over the years. Article 19 of the Company's Articles of Association is therefore proposed to be updated to reflect the corporate event set out in Section 8.2(i) of this Circular, and the change to the registered capital of the Company following the corporate event in relation to the 3rd Proposed Repurchase set out in Section 8.2(i) of this Circular.

Article 19 of the Articles of Association is proposed to be amended as follows (with amendments in **bold and underline**):

"Shareholders of the Company approved a proposed bonus issue (the "Bonus Issue") of an aggregate 369,654,360 new ordinary shares in the capital of the Company by way of capitalisation of the Company's share premium, on 14 May 2010. Details of the Bonus Issue are as follows: 'Based on the audited financial report of the company for the financial year ended 31 December 2009 (prepared in accordance with the PRC accounting standards) audited by RSM China Certified Public Accountants, the Company's share premium is RMB783,780,650. On the basis of an aggregate 369,654,360 shares in the capital of the Company as at 20 April 2010, the Company decides to offer 10-for-10 Bonus Issue, through which RMB369,654,360 of the Company's share premium will be capitalised into the Company's registered capital, and RMB576,081,016 will be remained in the share premium account of the Company'. Upon completion of the Bonus Issue, the Company has an issued share capital in aggregate of 739,308,720 shares, comprising 269,654,360 ordinary shares issued by the Company under the companies law promulgated by the PRC to natural and legal persons in the PRC, and which are denominated in renminbi, which represent 72.95% of the total registered and paid-up capital of the Company, and 100,000,000 ordinary shares issued by the Company to natural and legal persons in countries other than PRC, which represents 27.05% of the total registered and paid-up capital of the Company.

The proposed placement of A-Shares was approved in the Extraordinary General Meeting of the Company on 18 August 2014. The placement of 29,564,356 A-shares has been registered with China Securities Depository and Clearing (Shanghai) Corporation Limited on 10 July 2015. After the completion of the placement as mentioned above, the temporary capital structure of the Company is that there are 768,873,076 ordinary shares, 568,873,076 ordinary shares of which are held by the A-shares holders, accounting for 73.99% of the total number of ordinary shares issued by the Company, and there are 200,000,000 ordinary shares which are held by S-shares holders, accounting for 26.01% of the total number of ordinary shares issued by the Company.

*The 2nd extraordinary general meeting of the Company held on 2 December 2019 and the 10th Board meeting held on 9 December 2019 for the financial year ended 31 December 2019 considered and approved relevant proposals relating to the 2019 Restricted A-Share Incentive Scheme (the "Scheme") respectively. The procedures for the registration of Restricted A-Shares under the Initial Grant were completed on 7 January 2020, and the total number of shares in the capital of the Company increased to 772,803,076 shares accordingly. The 5th Board meeting held on 6 July 2020 for the financial year **ended ending** 31 December 2020 considered and approved the proposed grant of the Reserved Restricted A-Shares to the participants under the Scheme. The procedures for the registration of Restricted A-Shares under the Grant of Reserved Restricted A-Shares were*

completed on 27 July 2020, and the total number of shares in the capital of the Company increased to 773,743,076 shares accordingly.

The 2nd Board meeting held on 17 February 2020, ~~and~~ the 6th Board meeting held on 13 August 2020 for the financial year ~~ended ending~~ 31 December 2020 ~~and the 6th Board meeting held on 12 August 2021 for the financial year ending 31 December 2021~~ considered and approved the 1st proposed repurchase and cancellation, ~~the and~~ 2nd proposed repurchase and cancellation ~~and the 3rd proposed repurchase and cancellation~~ of Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme respectively (the “Repurchase”). Upon completion of the Repurchase, the capital structure of the Company is as follows: there are ~~773,443,076 773,643,076~~ ordinary shares, of which, ~~573,443,076 573,643,076~~ ordinary shares are held by the A-shares holders, accounting for ~~74.14% 74.15%~~ of the total number of ordinary shares issued by the Company, and 200,000,000 ordinary shares are held by S-shares holders, accounting for ~~25.86% 25.85%~~ of the total number of ordinary shares issued by the Company.”

8.3.2 Proposed amendment to Article 22 of the Articles of Association

Article 22 of the Articles of Association is proposed to be amended as follows (with amendments in **bold and underline**):

“The registered capital of the Company is RMB~~773,443,076 773,643,076~~.”

Save for the above amendments, the other terms of the Articles of Association of the Company shall remain unchanged.

8.4 Compliance with Rule 730(2) of the Listing Manual

The 2021 Proposed AOA Amendments are not inconsistent with the listing rules set out in the Listing Manual prevailing at the time of amendment.

8.5 Application for changes in the industrial and commercial registration

Subject to Shareholders’ approval for the 2021 Proposed AOA Amendments being obtained at the EGM, the Company shall then submit an application to the Tianjin Administration for Market Regulation (天津市市场监督管理委员会) to update the industrial and commercial registration details pertaining to the Company.

8.6 Voting threshold

The resolution relating to the 2021 Proposed AOA Amendments shall be approved by more than two-thirds ($\frac{2}{3}$) of the voting rights held by the attending Shareholders at the EGM.

9. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

The details of the Directors’ and Substantial Shareholders’ interests in the Shares as at the Latest Practicable Date are set out below:-

	Direct Interest		Deemed Interest	
	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾
Directors				

Li Yan	70,000	0.009	-	-
Guo Min	-	-	-	-
Wang Mai	70,000	0.009	-	-
Zhou Hong	70,000	0.009	-	-
Zhang Ping	-	-	-	-
Wong Gang	-	-	-	-
Liew Yoke Pheng Joseph	-	-	-	-
Li Qing	-	-	-	-

Substantial Shareholders

TPH	325,855,528	42.12	5,265,000 ⁽²⁾	0.68
-----	-------------	-------	--------------------------	------

Note:

- (1) Based on the total issued share capital of 773,643,076 Shares as at the Latest Practicable Date.
- (2) Pursuant to Section 4 of the SFA, TPH is deemed interested in the 5,265,000 shares in the capital of the Company held by its wholly-owned subsidiary, Tianjin Pharmaceutical (Singapore) International Investment Pte. Ltd.

As at the Latest Practicable Date, saved as disclosed in this Circular, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in each of the Proposals other than through their respective shareholdings in the Company (if any).

10. RECOMMENDATIONS

10.1 Nomination Committee's Recommendation

Proposed Appointment of Director

The Nomination Committee has reviewed the terms of the Proposed Appointment of Director and recommends the appointment of Ms. Zhang Mingrui as a Director of the Company, taking into account, amongst others, her working experience and expertise (as set out in Sections 2.2 and 2.3 of this Circular).

10.2 Directors' Recommendations

Proposals

Having considered, amongst others, the rationale for, and terms of, each of the Proposals, and the Nomination Committee's recommendation (as set out in Section 10.1 of this Circular) in relation to Proposed Appointment of Director, the Directors are of the opinion that each of the Proposals is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend that the Shareholders vote in favour of the resolution pertaining to each of the Proposals set out in the Notice of EGM.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at the meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China 300193 (concurrently, the EGM will be held by way of electronic means for S-Share Shareholders in Singapore) on 10 December 2021 at 2:00 p.m. for the

purpose of considering and, if thought fit, passing the resolutions (with or without modifications) as set in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

S-Share Shareholders who wish to vote on the resolutions set out in the Notice of EGM at the EGM must appoint the Chairman of the EGM as proxy to vote on their behalf by completing, signing and returning the proxy form in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive by (i) post at the office of the Company's "S" Shares Registrar and Singapore Shares Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (ii) email at SRS.TeamE@boardroomlimited.com, no later than **2:00 p.m. on 8 December 2021**.

Please refer to the alternative arrangements relating to observing the proceedings of the EGM (including arrangements by which the meeting can be accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM as set out in the Company's announcement dated 25 November 2021, which has been published, together with the Notice of EGM, on the SGXNet.

A S-Share Shareholder shall not be regarded as a member of the Company and his/her/its proxy form may be rejected by the Company unless his/her/its name appears on the Register of Members, or where the registered holder is CDP, the Depository Register as at a time not earlier than 48 hours prior to the time of the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about each of the Proposals and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

14. DOCUMENT FOR INSPECTION

A copy of the Articles of Association of the Company may be inspected at the registered office of the Company at 17 Baidi Road, Nankai District, Tianjin, the PRC, during normal business hours from the date of this Circular up to and including the date of the EGM.

Yours faithfully

For and on behalf of the Board of Directors of

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited

Li Yan

Chairman and Executive Director

APPENDIX A

DISCLOSURE PURSUANT TO APPENDIX 7.4.1 OF THE LISTING MANUAL (SUPERVISOR)

Date of appointment	10 December 2021 (being the date of the EGM), subject to obtaining Shareholders' approval at the EGM
Date of last re-appointment (if applicable)	Not applicable
Name of person	Xing Jianhua (幸建华)
Age	50
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable
Whether appointment is executive, and if so, the area of responsibility	Supervisory work
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Supervisor
Professional qualifications	Mr. Xing Jianhua holds a Bachelor's Degree in Engineering and a Master of Accounting Degree.
Working experience and occupation(s) during the past 10 years	From March 2014 to February 2018, he held concurrent positions as Deputy General Manager and Chief Accountant of CGNPC Uranium Resources Co.,Ltd. (中广核铀业发展有限公司). From February 2018 to May 2021, he served as Person-in-charge of Finance of China Xiongan Group Co., Ltd. (中国雄安集团有限公司). Since May 2021, Mr. Xing has been appointed as Chief Financial Officer of TPH (a Controlling Shareholder of the Company).
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Not applicable
Other Principal Commitments* Including Directorships#	
* "Principal Commitments" has the same meaning as defined in the Code.	
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	
Past (for the last 5 years)	Executive Director of CGN Mining

	Company Limited (中广核矿业有限公司)
	Director of Fission Uranium Corp (FCU)
Present	Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud,	No

misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable

<p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	
---	--

EXTRAORDINARY GENERAL MEETING

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)
(the "Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTE FOR SHAREHOLDERS:

This Notice of Extraordinary General Meeting supersedes the version announced by the Company on 25 October 2021.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**" or "**Extraordinary General Meeting**") of the Company will be held at the meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China 300193 on 10 December 2021 at 2:00 p.m.. Concurrently, the Extraordinary General Meeting will be held by electronic means for holders of "S" shares ("**S-Shareholders**") in Singapore.

To consider and, if thought fit, approve the following resolutions, with or without modifications:

Resolution 1: To consider and approve the proposed appointment of Ms. Zhang Mingrui as Non-Executive and Non-Independent Director of the Company with effect from the date of the Extraordinary General Meeting;

Resolution 2: To consider and approve the proposed appointment of Mr. Xing Jianhua as Supervisor of the Company with effect from the date of the Extraordinary General Meeting;

Resolution 3: To consider and approve the proposed extension of time to perform the non-compete undertaking by the controlling shareholder of the Company, Tianjin Pharmaceutical Holdings Co., Ltd.;

Resolution 4: To consider and approve the line of credit granted to the Company by Shanghai Pudong Development Bank Co., Ltd. up to a limit of RMB1,300 million; and

Resolution 5: To consider and approve the proposed amendments to the Articles of Association of the Company and the application for changes in the industrial and commercial registration.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
25 November 2021

Notes:

1. The EGM will be held by electronic means for S-Shareholders in Singapore pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings of Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this revised notice of EGM ("**Notice of EGM**"), the proxy form and the circular dated 25 November 2021 issued by the Company ("**Circular**") will not be sent to

S-Shareholders. Instead, this Notice of EGM, the proxy form and the Circular will be sent to S-Shareholders by electronic means via publication on the SGXNet and on the Company's website at <http://www.zhongxinp.com/>.

2. Alternative arrangements relating to attendance by S-Shareholders at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed by S-Shareholders via "live" audio-and-video webcast or "live" audio-only stream), submission of questions by S-Shareholders to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by S-Shareholders by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Company's announcement dated 25 November 2021 (the "**Announcement**"). The printed copy of the Announcement will **not** be sent to S-Shareholders. Instead, the Announcement will be sent to S-Shareholders by electronic means via publication on the SGXNet and on the Company's website at <http://www.zhongxinp.com/>. For the avoidance of doubt, the Announcement is circulated together with, and forms part of, this revised Notice of EGM in respect of the EGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a S-Shareholder will not be able to attend the EGM in person. A S-Shareholder will also not be able to vote online on the resolution(s) to be tabled for approval at the EGM. A S-Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such S-Shareholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a member of the Company.** The proxy form for the EGM will be made available on the SGXNet and may also be accessed at the Company's website at <http://www.zhongxinp.com/>.
4. Where a S-Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
5. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the date of the EGM. The proxy form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) ("**Investors**") (other than CPF Investors and SRS Investors) will not be able to pre-register at <https://bit.ly/TJZXDEC2021EGM> for the "live" broadcast of the EGM. An Investor (other than CPF Investors and SRS Investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., via email to SRS.TeamE@boardroomlimited.com no later than **2:00 p.m. on 8 December 2021**.

6. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32- 01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, via email to the Company's "S" Shares Registrar at SRS.TeamE@boardroomlimited.com,

in either case, by no later than **2:00 p.m. on 8 December 2021**.

A S-Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. If the S-Shareholder is a corporation, the instrument of proxy appointing the Chairman of the EGM as proxy must be executed under seal or the hand of its duly authorised officer or attorney.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for S-Shareholders to submit completed proxy forms by post, the Company strongly encourages S-Shareholders to submit completed proxy forms electronically via email.

7. A holder of shares entitled to attend and vote at the EGM (other than S-Shareholders) is entitled to appoint one or more persons (who need not also be shareholders) to act as their proxies to attend and vote on their behalf.

If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

8. S-Shareholders and investors will not be able to ask questions “live” during the broadcast of the EGM. All S-Shareholders and investors may submit questions relating to the business of the EGM by **2:00 p.m. on 8 December 2021**:

- (a) via the pre-registration website at <https://bit.ly/TJZXDEC2021EGM>;
- (b) by email to zyyy600329@163.com; or
- (c) by post to the Company’s “S” Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, S-Shareholders and investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at the EGM.

9. All documents or information relating to the business of the EGM, including the Circular, will be published on the SGXNet and on the Company’s website at <http://www.zhongxin.com/>. S-Shareholders and investors are advised to check the SGXNet regularly for updates.
10. **Personal Data Privacy:** Where a S-Shareholder of the Company submits (a) an application to pre-register to participate in the EGM via electronic means, (b) questions relating to the resolution(s) to be tabled for approval at the EGM, and/or (c) the proxy form appointing the Chairman of the EGM to attend, speak and vote at the EGM and/or any adjournment thereof, such S-Shareholder (i) consents to the collection, use and disclosure of such S-Shareholder’s personal data by the Company (or its agents or service providers) for the purposes of (1) processing his/her/its application to pre-register to participate in the EGM via electronic means and providing him/her/it with any technical assistance where possible, (2) addressing any selected questions submitted by him/her/it and following up with him/her/it where necessary, (3) processing, administration, analysis and facilitation by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof), and (4) the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that he/she/it will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his/her/its action or omission.
11. Pursuant to the Company’s Articles of Association, a holder of tradable domestic shares with limiting conditions for sale shall notify the Company in writing not less than 20 days prior to the EGM of his or her intention to attend the EGM. A holder of “S” shares must be registered in the shareholder name list or in the Depository Register 48 hours before the appointed time for holding the EGM.
12. A holder of tradable domestic shares with limiting conditions for sale who is planning to attend the EGM must give a written notice to the Company no later than 16 November 2021.
13. The EGM in Tianjin, PRC is expected to last for half a day and all accommodation and other expenses incurred by a shareholder or his/her/its proxy in connection with his/her/its attendance at the EGM shall be borne by that shareholder.
14. As the COVID-19 situation continues to evolve, the Company may be required to change our arrangements in Singapore at short notice. S-Shareholders should check the SGXNet for the latest updates on the status of the EGM for S-Shareholders.
15. The Company thanks all members for their understanding and cooperation to hold the EGM in line with appropriate safe distancing measures amidst the COVID-19 pandemic.

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)

EXTRAORDINARY GENERAL MEETING PROXY FORM

IMPORTANT

1. The EGM (as defined below) will be held by electronic means for holders of "S" shares ("**S-Shareholders**") in Singapore pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the revised notice of EGM dated 25 November 2021 ("**Notice of EGM**"), this proxy form and the circular dated 25 November 2021 issued by the Company ("**Circular**") will **not** be sent to S-Shareholders. Instead, the Notice of EGM, this proxy form and the Circular will be sent to S-Shareholders by electronic means via publication on the SGXNet and on the Company's website at <http://www.zhongxinp.com/>.
2. Alternative arrangements relating to attendance by S-Shareholders at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed by S-Shareholders via "live" audio-and-video webcast or "live" audio-only stream), submission of questions by S-Shareholders to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by S-Shareholders by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Company's announcement dated 25 November 2021 (the "**Announcement**"). The printed copy of the Announcement will **not** be sent to S-Shareholders. Instead, the Announcement will be sent to S-Shareholders by electronic means via publication on the SGXNet and on the Company's website at <http://www.zhongxinp.com/>. For the avoidance of doubt, the Announcement is circulated together with, and forms part of, the revised Notice of EGM in respect of the EGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a S-Shareholder will not be able to attend the EGM in person. A S-Shareholder will also not be able to vote online on the resolution(s) to be tabled for approval at the EGM. A S-Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such S-Shareholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a member of the Company.**
4. Where a S-Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
5. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the date of the EGM. **The proxy form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**
6. Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) ("**Investors**") (other than CPF Investors and SRS Investors) will not be able to pre-register at <https://bit.ly/TJZXDEC2021EGM> for the "live" broadcast of the EGM. An Investor (other than CPF Investors and SRS Investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., via email to SRS.TeamE@boardroomlimited.com no later than **2:00 p.m. on 8 December 2021**.
7. **Personal Data Privacy:** By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of EGM dated 25 November 2021.
8. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Incorporated in the People's Republic of China)
(Company Registration No.: 91120000103100784F)

EXTRAORDINARY GENERAL MEETING PROXY FORM

*I/We, _____ (Name) with

NRIC/Passport/Company Registration Number _____ of

_____ (Address)

being a member/members* of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Company"), hereby appoint the **Chairman of the Extraordinary General Meeting ("EGM" or "Extraordinary General Meeting")** as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the EGM of the Company to be held at the meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China 300193 (concurrently, the EGM will be held by way of electronic means for S-Shareholders (as defined herein) in Singapore) on 10 December 2021 at 2:00 p.m. and at any adjournment thereof. I/We* direct the Chairman of the EGM to vote for, against or to abstain from voting the Resolution(s) proposed at the EGM as indicated hereunder.

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.)

No.	Resolutions relating to:	For	Against	Abstain
1	To consider and approve the proposed appointment of Ms. Zhang Mingrui as Non-Executive and Non-Independent Director of the Company with effect from the date of the Extraordinary General Meeting			
2	To consider and approve the proposed appointment of Mr. Xing Jianhua as Supervisor of the Company with effect from the date of the Extraordinary General Meeting			
3	To consider and approve the proposed extension of time to perform the non-compete undertaking by the controlling shareholder of the Company, Tianjin Pharmaceutical Holdings Co., Ltd.			
4	To consider and approve the line of credit granted to the Company by Shanghai Pudong Development Bank Co., Ltd. up to a limit of RMB1,300 million			
5	To consider and approve the proposed amendments to the Articles of Association of the Company and the application for changes in the industrial and commercial registration			

Dated this _____ day of _____ 2021.



Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.
2. A member entitled to attend and vote at the EGM (other than holders of "S" shares in the Company ("S-Shareholders")) is entitled to appoint one or more persons (who need not also be shareholders) to act as his/her/its proxies to attend and vote on his/her/its behalf. Where a member appoints more than one proxy, the appointment shall be deemed to be alternative unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. **Due to the current COVID-19 restriction orders in Singapore, a S-Shareholder will not be able to attend the EGM in person. A S-Shareholder will also not be able to vote online on the resolution(s) to be tabled for approval at the EGM. A S-Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such S-Shareholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a member of the Company.**

Where a S-Shareholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the date of the EGM.

This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) ("Investors"), CPF Investors and SRS Investors, and shall be ineffective for all intents and purposes if used or purported to be used by any of them. An Investor (other than CPF Investors and SRS Investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions.

4. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32- 01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, via email to the Company's "S" Shares Registrar at SRS.TeamE@boardroomlimited.com,

in either case, by no later than **2:00 p.m. on 8 December 2021.**

A S-Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for S-Shareholders to submit completed proxy forms by post, the Company strongly encourages S-Shareholders to submit completed proxy forms electronically via email.

5. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in such instrument.
6. In the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject any instrument appointing a proxy or proxies that was lodged if such members are not shown to have Shares entered against their names in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM as certified by CDP to the Company.

7. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

Personal data privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of EGM dated 25 November 2021.