

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

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

The board of directors (the “Board”) and every individual director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “Company”) hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

The Board refers to:

- (1) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 7th Board meeting for the financial year ending 31 December 2019 (“**FY2019**”) (the “**7th Board Meeting Announcement**”);
- (2) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 6th supervisory committee (the “**Supervisory Committee**”) meeting for FY2019 (the “**6th Supervisory Committee Meeting Announcement**”);
- (3) the circular dated 15 November 2019 (the “**Circular**”) to the shareholders of the Company (the “**Shareholders**”) in relation to, amongst others, the proposed adoption of the 2019 Restricted A-Share Incentive Scheme (the “**Scheme**”);
- (4) the announcement dated 25 November 2019 made by the Company in relation to the explanatory statement of the Supervisory Committee on the verification of the list of participants (the “**List of Participants**”) who have been proposed to participate in the Scheme and on the verification of the internal publication in respect of the List of Participants by the Company (the “**Explanatory Statement Announcement**”);
- (5) the corrigendum announcement dated 27 November 2019 made by the Company (the “**Corrigendum Announcement**”);
- (6) the announcement dated 2 December 2019 made by the Company in relation to the poll results of the extraordinary general meeting held on 2 December 2019 (the “**EGM Results Announcement**”);
- (7) the announcement dated 2 December 2019 made by the Company in relation to the self-examination report on the trading in the shares of the Company by the insiders in relation to the Scheme (the “**Self-examination Report Announcement**”);
- (8) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 10th Board meeting for the FY2019 (the “**10th Board Meeting Announcement**”); and

- (9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9th Supervisory Committee meeting for the FY2019 (the “**9th Supervisory Committee Meeting Announcement**”).

Electronic copies of each of the 7th Board Meeting Announcement, the 6th Supervisory Committee Meeting Announcement, the Explanatory Statement Announcement, the Corrigendum Announcement, the EGM Results Announcement, the Self-examination Report Announcement, the 10th Board Meeting Announcement, the 9th Supervisory Committee Announcement and the Circular are available on the website of the Singapore Exchange Securities Trading Limited at <https://www2.sgx.com/>.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular and the 10th Board Meeting Announcement.

IMPORTANT REMINDER

- Number of Participants: the number of Participants originally planned to participate in the initial grant of the Restricted A-Shares under the Scheme has been adjusted from 117 to 115
- Number of Initial Granted Restricted A-Shares: the number of Initial Granted Restricted A-Shares has been adjusted from 4,010,000 to 3,930,000

The Company had on 9 December 2019 duly convened its 10th Board meeting for FY2019, at which the Board considered and approved the proposed contents of the “Adjustments to the List of Participants proposed to participate in the Initial Grant of the Initial Granted Restricted A-Shares and the number of Initial Granted Restricted A-Shares to be granted to them under the Scheme” (关于调整公司 2019 年 A 股限制性股票激励计划首次授予激励对象名单及授予权益数量的议案) and the proposed contents of the “Grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象首次授予限制性股票的议案). According to the relevant provisions of the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划) and the Authorisation granted to the Board by the Shareholders at the 2nd extraordinary general meeting of the Company in 2019 (the “**2nd EGM**”), the Board has resolved to make adjustments to the List of Participants originally planned to participate in the initial grant of the Restricted A-Shares under the Scheme and the number of Initial Granted Restricted A-Shares, details of which are set out below.

1. INFORMATION ON THE DECISION-MAKING PROCEDURES AND INFORMATION DISCLOSURE

- (1) On 16 October 2019, the Company duly convened its 7th Board meeting for FY2019, and the Board considered and approved the proposed contents of the “2019 Restricted A-Share Incentive Scheme and its summary” (2019 年 A 股限制性股票计划及其摘要), the proposed contents of the “Assessment Management Measures for Implementation of the 2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票激励计划实施考核管理办法) and the proposed authorisation from Shareholders to the Board for matters in relation to the 2019 Restricted A-Share Incentive Scheme (关于提请股东大会授权董事会办理公司限制性股票激励计划相关事宜).

- (2) On 16 October 2019, the Company duly convened its 6th Supervisory Committee meeting for FY2019, and the Supervisory Committee considered and approved the proposed contents of the “2019 Restricted A-Share Incentive Scheme and its summary” (2019 年 A 股限制性股票计划及其摘要) and the proposed contents of the “Assessment Management Measures for Implementation of the 2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票激励计划实施考核管理办法).

The independent directors of the Company, comprising Mr. Timothy Chen Teck Leng, Mr. Wong Gang and Mr. Qiang Zhiyuan (the “**Independent Directors**”), and the Supervisory Committee have given their independent opinions and verification opinions respectively. CITIC Securities Co., Ltd. (中信证券股份有限公司), being the Independent Financial Adviser, and Xing Tong Law Firm (行通律师事务所), being the Legal Adviser for the Scheme have respectively issued their professional opinions.

- (3) During the period from 1 November 2019 to 11 November 2019 (the “**Publication Period**”), the Company published the List of Participants through the Collaborative Management Systems (OA System) of the Company. As at the expiration of the Publication Period, the Supervisory Committee did not receive any objections with respect to the proposed Participants under the Scheme. Please refer to the Explanatory Statement Announcement for further details.
- (4) On 2 December 2019, the Company duly convened its 2nd EGM, and the Shareholders at the 2nd EGM considered and approved the proposed contents of the “2019 Restricted A-Share Incentive Scheme and its summary” (2019 年 A 股限制性股票计划及其摘要), the proposed contents of the “Assessment Management Measures for Implementation of the 2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票激励计划实施考核管理办法) and the proposed authorisation from Shareholders to the Board for matters in relation to the 2019 Restricted A-Share Incentive Scheme (关于提请股东大会授权董事会办理公司限制性股票激励计划相关事宜). The Company has also disclosed the “self-examination report on the trading in the shares of the Company by the insiders in relation to the Scheme” (天津中新药业集团股份有限公司关于公司 A 股限制性股票计划内幕信息知情人买卖公司股票情况的自查报告). Please refer to the Self-examination Report Announcement for further details.
- (5) On 9 December 2019, the Company duly convened its 10th Board meeting and 9th Supervisory Committee meeting for FY2019, and the Board as well as the Supervisory Committee considered and approved the proposed contents of the “Adjustments to the List of Participants proposed to participate in the initial grant of the Initial Granted Restricted A-Shares and the number of Initial Granted Restricted A-Shares to be granted to them under the Scheme” (关于调整公司 2019 年 A 股限制性股票激励计划首次授予激励对象名单及授予权益数量的议案) and the proposed contents of the “Grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象首次授予限制性股票的议案).

The Independent Directors and the Supervisory Committee have given their independent opinions and verification opinions respectively. The Independent Financial Adviser and the Legal Adviser for the Scheme have respectively issued their professional opinions.

2. THE PROPOSED ADJUSTMENTS

2 of the 117 Participants originally planned to participate in the initial grant of the Initial Granted Restricted A-Shares under the Scheme are no longer eligible to participate in the Scheme due to their retirement and/or job transfer (the “**Disqualified Participants**”). The Disqualified Participants have waived their respective rights to subscribe for the Restricted A-Shares proposed to be granted to them initially by the Company, being an aggregate amount of 80,000 Restricted A-Shares. Accordingly, the Board has resolved to make adjustments to the List of Participants proposed to participate in the Scheme initially from 117 to 115 (the “**Adjusted Participants**”) and the number of Initial Granted Restricted A-Shares from 4,010,000 to 3,930,000 (the “**Adjusted Initial Granted Restricted A-Shares**”).

3. IMPACT OF THE PROPOSED ADJUSTMENTS ON THE COMPANY

The proposed adjustments to the List of Participants and the number of Initial Granted Restricted A-Shares to be granted under the Scheme (the “**Proposed Adjustments**”) will not have a material impact on the financial status and operating results of the Company.

4. OPINION OF THE INDEPENDENT DIRECTORS

The Independent Directors are of the opinion that the Proposed Adjustments are in compliance with the relevant provisions in respect of such adjustments as stipulated in the relevant laws, regulations and normative documents including the *Administrative Measures on Share Incentives of Listed Companies* (《上市公司股权激励管理办法》) (the “**Administrative Measures**”), as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); each of the Adjusted Participants satisfies the requirements or conditions as an eligible participant to participate in the Scheme as stipulated in the relevant laws, regulations and normative documents including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划), and the subject qualification of each of them is legal and valid; the Proposed Adjustments are within the scope of the Authorisation granted to the Board by the Shareholders at the 2nd EGM, the procedures of the Proposed Adjustments are in compliance with applicable laws and regulations, and the Proposed Adjustments would not prejudice the interests of the Company and the Shareholders as a whole; and the Independent Directors agree with the Proposed Adjustments.

5. OPINION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is of the view that the Proposed Adjustments are in compliance with the provisions relating to such adjustments as stipulated in the relevant laws, regulations and normative documents including the Administrative Measures, as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); each of the Adjusted Participants satisfies the requirements or conditions as an eligible participant to participate in the Scheme as stipulated in the relevant laws, regulations and normative documents, and the subject qualification of each of them is legal and valid; the Proposed Adjustments are within the scope of the Authorisation granted to the Board by the Shareholders at the 2nd EGM, the procedures of the Proposed Adjustments are in compliance with applicable laws and regulations, and the Proposed Adjustments would not prejudice the interests of the Company and the Shareholders as a whole; and the Supervisory Committee agrees with the Proposed Adjustments.

6. OPINION OF THE LEGAL ADVISER

The Legal Adviser is of the opinion that, as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the Proposed Adjustments and the Initial Grant have been obtained; the Proposed Adjustments, the Initial Grant Date and the Adjusted Participants are in compliance with the relevant provisions of the Administrative Measures as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); the conditions for the Initial Grant as stipulated under the Scheme have been satisfied, the implementation of the Initial Grant by the Company is in compliance with the relevant provisions of the Administrative Measures as well as the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and the Initial Grant is still subject to the fulfilment of disclosure obligations and the completion of relevant procedures including the registration of the Restricted A-Shares granted under Scheme in accordance with laws and regulations.

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser is of the opinion that, as at the date of issuance of its report, the requisite authorisations and approvals at the current stage for the relevant matters in relation to the Initial Grant have been obtained; the determination of the Initial Grant Date, the Grant Price, the exercise price, the Adjusted Participants and the allocation of incentive proportion are in compliance with the relevant provisions of the relevant laws, regulations and normative documents including the *Company Law of the People's Republic of China* (《中华人民共和国公司法》), the *Securities Law of the People's Republic of China* (《中华人民共和国证券法》) and the Administrative Measures, as well as the Articles of Association of the Company and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划); and the conditions for the Initial Grant have been satisfied.

By order of the Board
9 December 2019