

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

EXPLANATORY STATEMENT OF THE SUPERVISORY COMMITTEE ON THE VERIFICATION OF THE LIST OF PARTICIPANTS PROPOSED TO PARTICIPATE IN THE GRANT OF RESERVED RESTRICTED A-SHARES UNDER THE SCHEME AND ON THE VERIFICATION OF THE INTERNAL PUBLICATION IN RESPECT OF THE LIST OF PARTICIPANTS

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

The Board refers to:

- (1) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 7th Board meeting for the financial year ended 31 December 2019 (“**FY2019**”);
- (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;
- (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;
- (5) the corrigendum announcement dated 27 November 2019 made by the Company;
- (6) the announcement dated 2 December 2019 made by the Company in relation to the poll results of the extraordinary general meeting held on 2 December 2019;
- (7) the announcement dated 2 December 2019 made by the Company in relation to the self-examination report on the trading in the shares of the Company by the insiders in relation to the Scheme;
- (8) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 10th Board meeting for FY2019;

- (9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9th Supervisory Committee meeting for FY2019;
- (10) the announcement dated 9 December 2019 made by the Company in relation to the proposed adjustments to the List of Participants proposed to participate in the Initial Grant (the “**Adjusted Participants**”) and the number of Initial Granted Restricted A-Shares (the “**Adjusted Initial Granted Restricted A-Shares**”) under the Scheme;
- (11) the announcement dated 9 December 2019 made by the Company in relation to the proposed grant of the Adjusted Initial Granted Restricted A-Shares to the Adjusted Participants under the Scheme;
- (12) the announcement dated 9 December 2019 made by the Company in relation to the list of the Adjusted Participants proposed to participate in the Initial Grant under the Scheme;
- (13) the announcement dated 8 January 2020 made by the Company in relation to the results of the Initial Grant under the Scheme;
- (14) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 2nd Board meeting for the financial year ending 31 December 2020 (“**FY2020**”);
- (15) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 1st Supervisory Committee meeting for FY2020;
- (16) the announcement dated 17 February 2020 made by the Company in relation to the repurchase and cancellation of some of the Restricted A-Shares granted under the Scheme;
- (17) the announcement dated 17 February 2020 made by the Company in respect of the notification to creditors of the Company in relation to the repurchase and cancellation of the Restricted A-Shares;
- (18) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 5th Board meeting for FY2020 (the “**2020 5th Board Meeting Announcement**”);
- (19) the announcement dated 6 July 2020 made by the Company in relation to the resolution passed at the 4th Supervisory Committee meeting for FY2020;
- (20) the announcement dated 6 July 2020 made by the Company in relation to the grant of the Reserved Restricted A-Shares to the Participants under the Scheme; and
- (21) the announcement dated 6 July 2020 made by the Company in relation to the list of participants proposed to participate in the grant of Reserved Restricted A-Shares under the Scheme.

Electronic copies of each of the aforementioned announcements and the Circular are available on the website of the Singapore Exchange Securities Trading Limited at <https://www.sgx.com/>.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular and the 2020 5th Board Meeting Announcement.

Pursuant to the requirements of 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

“**Company Law**”), the *Securities Law of the People's Republic of China* (《中华人民共和国证券法》) (the “**Securities Law**”), and 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 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), the Supervisory Committee has verified the list of participants (the “**2nd List of Participants**”) as set out in the “Grant of the Reserved Restricted A-Shares to the Participants under the Scheme” (关于向公司 2019 年 A 股限制性股票激励计划激励对象授予预留限制性股票的议案) and the internal publication in respect of the 2nd List of Participants made by the Company, and has issued its explanatory statement below in relation to its verification results.

1. Internal publication in respect of the 2nd List of Participants

Pursuant to the Administrative Measures, the Supervisory Committee has verified the internal publication made by the Company in respect of the 2nd List of Participants, and the relevant details are as follows:

- (1) Publication content: names and designations of each of the Participants set out in the 2nd List of Participants
- (2) Publication channel: through the Collaborative Management Systems (OA System) of the Company
- (3) Publication period: a period from 6 July 2020 to 16 July 2020
- (4) Objections raised by Company’s personnel: none

2. Documents and/or information verified by the Supervisory Committee

The documents and/or information verified by the Supervisory Committee include the 2nd List of Participants, the identification document of each of the Participants, the labour or employment contract entered into between each of the Participants and the Company (or the subsidiaries controlled by the Company) and those documents in respect of the designations held by each of the Participants.

3. Verification opinions of the Supervisory Committee

In accordance with the Administrative Measures and the Articles of Association of the Company, and taking into account the verification results, the Supervisory Committee is of the view that:

- (1) each of the Participants set out in the 2nd List of Participants satisfies the requirements or conditions as stipulated in 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 Participants do not include supervisors, non-executive directors and independent directors of the Company, nor Shareholders of the Company who, individually or collectively, hold 5% or more of the shares of the Company or *de facto* controller(s) of the Company and their respective spouses, parents and children.
- (2) the information in relation to each of the Participants are true, and nothing has come to the attention of the Supervisory Committee which may render such information to be false or misleading in any material aspect, or indicate that any material information has been deliberately omitted.

- (3) the Participants are all existing directors (excluding non-executive directors and independent directors), members of senior management, members of management team that the Board considers should be motivated, leading-level scientific research experts, core personnel for scientific research and technology and members of core management team of the subordinate enterprises of the Company (excluding the Company's associated companies), and each of them satisfies the requirements in respect of their respective designations as stipulated in relevant laws, regulations and normative documents including the Company Law, as well as the Articles of Association of the Company.
- (4) none of the following circumstances has occurred to any of the Participants which would preclude him/her from being an eligible Participant as stipulated in the Administrative Measures:
 - (a) he/she has been deemed as an inappropriate candidate by the Shanghai Stock Exchange in the past 12 months;
 - (b) he/she has been deemed as an inappropriate candidate by the China Securities Regulatory Commission (the "CSRC") and/or any of its local bureaus in the past 12 months;
 - (c) he/she has been imposed with administrative penalties or prohibited from entry into the securities market by the CSRC and/or any of its local bureaus due to material violations of laws and regulations in the past 12 months;
 - (d) he/she has been prohibited from acting as a director or a member of the senior management of a company under the Company Law;
 - (e) he/she has been prohibited by laws and regulations from participating in any share incentive scheme of listed companies; or
 - (f) any other circumstances as determined by the CSRC.
- (5) none of the Participants participates in share incentive schemes of two or more listed companies.
- (6) there is no other circumstances which has occurred to any of the Participants which would prohibit him/her from participating in any share incentive scheme.

In conclusion, the Supervisory Committee is of the view that each of the Participants set out in the 2nd List of Participants satisfies the qualification requirements of their respective designations as stipulated in relevant laws, regulations and normative documents. The subject qualification of each of the Participants is legal and valid.

By Order of the Board

Jiao Yan
Secretary to the Board
17 July 2020