

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in the People's Republic of China)

(the "Company")

SGX WAIVER FROM COMPLIANCE WITH RULE 730A(1) OF THE LISTING MANUAL IN RESPECT OF HOLDING ALL GENERAL MEETINGS IN SINGAPORE

BACKGROUND

The board of directors (the "**Board**") of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") wishes to announce that the Company had, on 25 January 2019, applied to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for a waiver from compliance with the requirement under Listing Rule 730A(1) of the Listing Manual to hold all its general meetings in Singapore (the "**Waiver**"), and for it to continue to hold its general meetings in the People's Republic of China ("**PRC**").

Listing Rule 730A(1), read with Practice Note 7.5 of the Listing Manual, states that an issuer primary-listed on the Exchange shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.

RESULT OF WAIVER APPLICATION

The Company is pleased to announce that on 11 February 2019, the SGX-ST advised that it has no objection to the Company's application for waiver from compliance with Listing Rule 730A(1) for the period of FY2018 subject to the following:-

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) submission of a written undertaking from the Company that the Company will make appropriate arrangements such as video conferencing to enable shareholders in Singapore to meaningfully participate in, to follow the proceedings and to vote at the general meetings (the "**Undertaking**").

The SGX-ST reserves the right to amend and/or vary its decision, and such decision is subject to the changes in the SGX-ST's policies.

The Company considers the condition described in sub-paragraph (a) above to be complied with by the making of this announcement and the disclosure of the reasons for the Waiver. The Company had submitted the Undertaking to the SGX-ST as required under sub-paragraph (b).

BASIS FOR WAIVER APPLICATION

The Company's reasons for seeking the Waiver are as follows:

1. The Company is incorporated in the PRC. As at 31 December 2018, the total number of shareholders in the Company (the "**Shareholders**") is 32,245, out of which 29,819 Shareholders are based in the PRC ("**A-Shareholders**") and 2,426 Shareholders are based in Singapore ("**S-Shareholders**"). Therefore, the number of A-Shareholders represents more than 90% of the total number of Shareholders.

2. As at 31 December 2018, approximately 74% of the total voting rights of the Company are held by A-Shareholders based in the PRC, and the remaining 26% of the total voting rights are held by S-Shareholders whom are not based in the PRC.
3. The relevant PRC regulations applicable to the Company are as follows:
 - i. Article 8 of the *Rules of Management of Listed Company* promulgated by the China Security Regulatory Commission (the “**CSRC**”) states that venue selection shall to the largest extent allow and facilitate the largest number of shareholders to attend the shareholders’ meeting.
 - ii. Article 20 of the *Rules of the Shareholders’ Meeting of Publicly Listed Company* promulgated by the CSRC provides that the shareholders’ meeting of a listed company shall be convened at the company’s place of domicile or at the place stated in its articles of association.

Although there is no express requirement under PRC laws for the Company’s general meetings to be held in the PRC, the Company has obtained its PRC legal counsel’s opinion that the laws and regulations of the PRC recommend that the general meetings of the Company be held in the PRC.

4. The relevant procedures of the Company are as follows:
 - i. Article 44 of the *Rules of Procedure of the Shareholders’ Meeting* (the “**Rules of Procedure**”) formulated by the Company provides that the shareholders’ meeting of a listed company shall be convened at the Company’s place of domicile or at the place stated in its articles of association.
 - ii. Article 27 of the Rules of Procedure provides that the issue of venue for the shareholders’ meeting shall be decided by the Board and shall facilitate the largest number of Shareholders’ attendance at the shareholders’ meeting.
 - iii. Article 68 of the *Articles of Association of the Company* (the “**AOA**”) formulated by the Company provides that the Board shall determine the date and venue of general meetings.

Accordingly, the issue of venue of the general meetings of the Company shall be decided by the Board. As the venue for general meetings is not explicitly specified in the AOA, the general meetings of the Company shall be convened at the Company’s place of domicile.

5. As mentioned in paragraph (1) above, the Company has a large number of A-Shareholders based in the PRC. In order to facilitate the largest number of Shareholders’ attendance at its general meetings, the Company has always held its general meetings in the PRC in the past, and wishes to continue to do so.
6. The Company will make arrangements such as video conferencing or webcasts to enable S-Shareholders based in Singapore to follow the proceedings during the general meetings.
7. Poll voting is not prohibited in the PRC. The Company has always done poll voting in previous shareholders’ meetings, and undertakes to include votes from Shareholders who participate in the general meeting via video conferencing in Singapore.

By Order of the Board
12 February 2019