

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

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**NOTIFICATION TO CREDITORS OF THE COMPANY IN RELATION TO THE REPURCHASE AND CANCELLATION OF THE RESTRICTED A-SHARES**

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*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 7<sup>th</sup> Board meeting for the financial year ended 31 December 2019 (“**FY2019**”) (the “**7<sup>th</sup> Board Meeting Announcement**”);
- (2) the announcement dated 16 October 2019 made by the Company in relation to the resolutions passed at the 6<sup>th</sup> supervisory committee (the “**Supervisory Committee**”) meeting for FY2019 (the “**6<sup>th</sup> 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 10<sup>th</sup> Board meeting for FY2019 (the “**10<sup>th</sup> Board Meeting Announcement**”);

- (9) the announcement dated 9 December 2019 made by the Company in relation to the resolutions passed at the 9<sup>th</sup> Supervisory Committee meeting for FY2019 (the “**9<sup>th</sup> Supervisory Committee Meeting Announcement**”);
- (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 (the “**Adjustments Announcement**”);
- (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 (the “**Initial Grant Announcement**”);
- (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 (the “**List of the Adjusted Participants Announcement**”);
- (13) the announcement dated 8 January 2020 made by the Company in relation to the results of the Initial Grant under the Scheme (the “**Grant Results Announcement**”);
- (14) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 2<sup>nd</sup> Board meeting for the financial year ending 31 December 2020 (“**FY2020**”) (the “**2020 2<sup>nd</sup> Board Meeting Announcement**”);
- (15) the announcement dated 17 February 2020 made by the Company in relation to the resolutions passed at the 1<sup>st</sup> Supervisory Committee meeting for FY2020 (the “**2020 1<sup>st</sup> Supervisory Committee Meeting Announcement**”); and
- (16) the announcement dated 17 February 2020 made by the Company in relation to the repurchase and cancellation of the Restricted A-Shares granted under the Scheme (the “**Repurchase Announcement**”).

Electronic copies of each of the aforementioned announcements and the Circular are available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) 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 10<sup>th</sup> Board Meeting Announcement.*

## **1. Reason for Notification to the Creditors of the Company**

On 17 February 2020, the Company duly convened its 2<sup>nd</sup> Board meeting and 1<sup>st</sup> 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 of the participants of the Scheme is no longer eligible to participate in the Scheme due to her resignation from the Company, the Board 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 “**Proposed Repurchase**”), in accordance with the relevant provisions of the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划) and 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 70,000 Restricted A-Shares to be repurchased and cancelled under the Proposed Repurchase represents 0.009% of the total share capital of the Company. The repurchase

price of the Proposed Repurchase shall be RMB 7.20 per Restricted A-Share plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing, which shall be paid by the Company with its own funds. Please refer to the Repurchase Announcement for further details.

Upon completion of the Proposed Repurchase, the total number of shares in the capital of the Company will be reduced from 772,803,076 to 772,733,076, and the registered capital of the Company will also be reduced from RMB 772,803,076 to RMB 772,733,076. The Company shall perform the corresponding capital reduction procedures pursuant to the laws upon completion of the Proposed Repurchase.

## **2. Information to be known by the Creditors of the Company**

As the registered capital of the Company will be reduced as a result of the Proposed Repurchase, in accordance with the provisions of the relevant laws and regulations 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 Company hereby notifies the creditors of the Company that they shall, within 30 days from the date of receiving the notice from the Company, or within 45 days from the date of this announcement in the case of failing to receive a notice from the Company, be entitled to demand the Company to pay off its debts or to provide corresponding guarantees. In the event that the creditors of the Company fail to exercise the aforesaid rights within the prescribed time limit, the Proposed Repurchase shall continue to be implemented according to legal procedures. In the event that the creditors of the Company demand that the Company pays off its debts or provides corresponding guarantees, they shall submit a written request to the Company together with the relevant supporting documents, in accordance with the provisions of the relevant laws and regulations, including the Company Law.

Materials required for declaration of creditor's rights: the creditors of the Company can declare their respective rights by presenting the original copies and photocopies of the contracts, agreements and other documents evidencing the existence of the debtor-creditor relationship. Where the creditor is a legal person, the original copies and photocopies of the business license of the legal person and the identity document of the legal representative of such legal person shall also be presented; where the declaration is made by an entrusted party, in addition to the aforesaid documents, the original copies and photocopies of the authorisation of the legal representative and the valid identity document of the agent shall also be presented. If the creditor is a natural person, the original copy and photocopy of the valid identity document shall be presented; where the declaration is made by an entrusted party, in addition to the aforesaid documents, the original copies and photocopies of the authorisation and the valid identity document of the agent shall also be presented.

The details of the declaration of creditor's right are as follows:

- (1) Declaration location: Level 8, Zhongxin Mansion, #17 Baidi Road, Nankai District, Tianjin, the PRC
- (2) Declaration period: 8:30-17:00 from 19 February 2020 to 3 April 2020
- (3) Contact person: Jiang Ling and Wang Jian
- (4) Telephone: 022-27020892
- (5) Fax: 022-27020292

**By order of the Board**

Jiao Yan  
Company Secretary  
17 February 2020