

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

RESOLUTION PASSED AT THE 5TH BOARD MEETING FOR FY2020

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; and
- (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.

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.

The Company had on 24 June 2020 issued a notice of board meeting to its directors in respect of the 5th board meeting for FY2020, and the board meeting was duly convened on 6 July 2020 by means of live meeting and telephone conference.

The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company, and the following resolution was discussed and passed by the 9 directors out of the full board of 9 directors:

1. That, the proposed contents of 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) be approved.

In accordance with the "2019 Restricted A-Share Incentive Scheme" (2019 年 A 股限制性股票计划), the Board is of the view that the conditions for granting the Reserved Restricted A-Shares as stipulated under the Scheme have been satisfied. The Board has proposed that a total number of 940,000 Reserved Restricted A-Shares (representing approximately 0.12% of the total issued share capital of the Company as at the date of this announcement) shall be granted to 26 Participants at the Grant Price of RMB 8.89 for each Reserved Restricted A-Share (the "**Grant of Reserved Restricted A-Shares**"), and the date for granting the Reserved Restricted A-Shares shall be 6 July 2020 (the "**Grant Date of Reserved Restricted A-Shares**").

Mr. Li Liquan, Ms. Li Yan, Mr. Wang Mai and Mr. Zhou Hong who are Participants or proposed to participate in the Scheme, being interested directors, have abstained from voting on this resolution.

Mr. Wong Gang, Mr. Liew Yoke Pheng Joseph and Mr. Qiang Zhiyuan, being the independent directors of the Company, have given their independent opinions as set out below.

In accordance with the provisions of 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**”), the *Trial Measures on Implementation of Share Incentive Plans by State-controlled Listed Companies (Domestic)*(《国有控股上市公司(境内)实施股权激励试行办法》) (the “**Trial Measures**”), the *Notice on Issues concerning Regulating the Implementation of the Share Incentive Schemes by State-controlled Listed Companies* (《关于规范国有控股上市公司实施股权激励制度有关问题的通知》) (the “**Notice**”), the *Guidance on Establishment of Independent Directors System in Listed Companies* (《关于在上市公司建立独立董事制度的指导意见》) and the *Stock Listing Rules of the Shanghai Stock Exchange* (《上海证券交易所股票上市规则》), as well as the Articles of Association and the “2019 Restricted A-Share Incentive Scheme” (2019年A股限制性股票计划), the independent directors of the Company, after careful consideration of 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), are of the view that:

- (1) the Company is not subject to any circumstances provided under relevant laws, regulations and normative documents which prohibits the implementation of a share incentive scheme, and the Company is qualified to implement the Scheme;
- (2) the Participants proposed to participate in the Grant of Reserved Restricted A-Shares satisfy the requirements of their respective designations as stipulated in relevant laws and regulations, as well as the Articles of Association of the Company, and the independent directors of the Company are not aware of any circumstances under which any of the Participants proposed to participate in the Grant of Reserved Restricted A-Shares shall not be granted the restricted shares under the Scheme. The subject qualification of each of the Participants proposed to participate in the Grant of Reserved Restricted A-Shares is legal and valid;
- (3) the contents of 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) are in compliance with the requirements of relevant laws and regulations, and the arrangements in relation to matters including grant of restricted shares, release of the restricted shares from lock-up requirements as well as modification and termination of the Scheme are in compliance with the requirements of relevant laws and regulations, and are not prejudicial to the interests of the Company and the Shareholders as a whole;
- (4) the Company is not involved in any plans or arrangements for providing loans, guarantee for loans or providing financial assistance in any other forms, to the Participants proposed to participate in the Grant of Reserved Restricted A-Shares under the Scheme;
- (5) the implementation of the Scheme by the Company will further establish and improve the incentive

and restrictive mechanism of the Company, align the interests of the Shareholders and the Company with the Participants under the Scheme and safeguard the interests of the Shareholders, thus bringing more efficient and sustainable returns to the Shareholders and promoting the long-term stable development of the Company;

- (6) the implementation of the Scheme by the Company is not detrimental to the interests of the Company and the Shareholders as a whole; and
- (7) the directors of the Company who are Participants or proposed to be Participants to participate in the Scheme, being interested directors, have abstained from voting on the resolution in accordance with relevant requirements.

In conclusion, the independent directors of the Company agree on the contents of 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).

Opinions of the Supervisory Committee of the Company

The Supervisory Committee of the Company has verified whether the Participants proposed to participate in the Grant of Reserved Restricted A-Shares under the Scheme meet the grant conditions as well as the matters relating to the arrangement of the Grant of Reserved Restricted A-Shares in accordance with the provisions 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, 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 is of the view that:

1. each of the Participants proposed to participate in the Grant of Reserved Restricted A-Shares falls within the scope of the eligible participants to be granted the Restricted A-Shares under the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划) as considered and approved by the Shareholders at the 2nd extraordinary general meeting of the Company in 2019, and satisfies the requirements in respect of their respective subject qualification as stipulated in the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures, as well as the Articles of Association of the Company; none of the Participants proposed to participate in the Grant of Reserved Restricted A-Shares is involved in any circumstances where he/she would be prohibited from being an eligible participant under the Scheme as stipulated in Article 8 of the Administrative Measures; the Participants proposed to participate in the Grant of Reserved Restricted A-Shares do not include independent directors, non-executive directors and supervisors of the Company, nor any shareholder 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. The subject qualification of each of the Participants proposed to participate in the Grant of Reserved Restricted A-Shares is legal and valid, and satisfies the conditions for granting the Restricted A-Shares;
2. the Company and the Participants proposed to participate in the Grant of Reserved Restricted A-Shares are not subject to any circumstances where grant of Restricted A-Shares to such Participants is prohibited as stipulated in the Administrative Measures and the “2019 Restricted A-Share Incentive

Scheme” (2019 年 A 股限制性股票计划), and the conditions for the Grant of Reserved Restricted A-Shares as stipulated under the Scheme have been satisfied; and

3. the determination of the Grant Date of Reserved Restricted A-Shares by the Board is in compliance with the relevant provisions in respect of the grant date as stipulated in the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划).

In conclusion, the Supervisory Committee agrees that a total number of 940,000 Reserved Restricted A-Shares shall be granted to 26 Participants on 6 July 2020, being the Grant Date of Reserved Restricted A-Shares.

Opinions of the Company’s Legal Adviser

Xing Tong Law Firm (行通律师事务所) has been appointed by the Company as the legal adviser (the “**Legal Adviser**”) for the Scheme, and in accordance with the provisions of relevant laws, regulations and normative documents including the Company Law, the Securities Law, the Administrative Measures, the Trial Measures and the Notice, as well as the Articles of Association of the Company, has issued its legal opinion on the Grant of Reserved Restricted A-Shares as follows:

1. as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the Grant of Reserved Restricted A-Shares have been obtained, and the Grant of Reserved Restricted A-Shares is in compliance with the relevant provisions of the relevant laws, regulations and normative documents including 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);
2. the Grant Date of Reserved Restricted A-Shares is in compliance with the relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划);
3. based on the auditors’ report (No. XYZH/2020BJA200083) issued by ShineWing Certified Public Accountants (信永中和会计师事务所), as at the date of issuance of its legal opinion, the Company is not subject to any circumstances where grant of the Reserved Restricted A-Shares is prohibited;
4. the Participants proposed to participate in the Grant of Reserved Restricted A-Shares, as well as the number and Grant Price of the Reserved Restricted A-Shares to be granted are in compliance with relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划); and
5. in summary, the Legal Adviser is of the view that, as at the date of issuance of its legal opinion, the requisite approvals and authorisations at the current stage for the Grant of Reserved Restricted A-Shares have been obtained; the Grant Date of Reserved Restricted A-Shares is in compliance with the relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划); the conditions for the Grant of Reserved Restricted A-Shares as stipulated under the Scheme have been satisfied; the grant of the Reserved Restricted A-Shares to the Participants by the Company is in compliance with the relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划); and

the Participants proposed to participate in the Grant of Reserved Restricted A-Shares, as well as the number and Grant Price of the Reserved Restricted A-Shares to be granted are in compliance with relevant provisions of the Administrative Measures and the “2019 Restricted A-Share Incentive Scheme” (2019 年 A 股限制性股票计划).

By Order of the Board

Jiao Yan
Secretary to the Board
6 July 2020