

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED
(Company Registration No.: 91120000103100784F)
(Incorporated in the People's Republic of China)

RESOLUTIONS PASSED AT THE 6TH 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.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the circular dated 15 November 2019 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”).

The Company had on 3 August 2020 issued a notice of board meeting to its directors in respect of the 6th board meeting for the financial year ending 31 December 2020 (“FY2020”), and the board meeting was duly convened by means of live meeting and telephone conference on 13 August 2020. 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 resolutions were discussed and passed by the 9 directors out of the full board of 9 directors:

1. That, the full text and summary of the half yearly financial statement for FY2020 prepared in accordance with the accounting standards of the People's Republic of China, and the interim financial report for FY2020 prepared in accordance with the International Financial Reporting Standards, be approved.

To the best knowledge of the directors and the management of the Company, there are no other information that would cause the contents of the aforesaid financial statements to be false or misleading.

2. That, the half yearly “Report on the Deposit of Proceeds and the Use of Proceeds (募集资金存放与实际使用情况的专项报告)” for FY2020 be approved.
3. That, the proposed re-appointment of Mr. Li Liqun as Director of the Company be approved.

Mr. Li Liqun, born in February 1960, holds a bachelor's degree and is a Senior Political Officer (高级政工师). Mr. Li previously held the following positions: Deputy Secretary of the Party Committee and the No. 101 Workshop Supervisor of Tianjin Pharmaceutical Company, General Manager and Deputy Secretary of the Party Committee of Tianjin Tianyao Pharmaceutical Co., Ltd, Chairman of the board of Tianjin Wanning Health Products Co., Ltd, Chairman of the board of Tianjin Gesibao Medicine Industry Co., Ltd, Secretary of the Party Committee, Secretary of the Disciplinary Committee and Chairman of the Union of Tianjin Jinyao Group Co., Ltd, Secretary of the Party Committee, Secretary of the Disciplinary Committee and Chairman of the Union of Tianjin Pharmaceuticals Group Co., Ltd, Deputy Chairman of the board of Lier Chemical Co., Ltd. From December 2013 to November 2015, he was appointed as Chairman of the board of Tianjin Tianyao Pharmaceutical Co., Ltd. From December 2015 to August 2017, he was appointed as Employee Supervisor and Chairman of the board of supervisors of the Company. Since September 2015, he

holds office as Secretary of the Party Committee of the Company. Mr. Li has been serving as Chairman of the board of the Company since October 2017.

4. That, the proposed adjustment to the composition of Board Committees be approved.

Consequently, the composition of the Board Committees shall henceforth be as follows:

Audit Committee

Mr. Qiang Zhiyuan (Chairman)
Mr. Wong Gang
Mr. Liew Yoke Pheng Joseph

Strategy Committee

Mr. Li Liqun (Chairman)
Ms. Li Yan
Mr. Qiang Zhiyuan

Nomination Committee

Mr. Liew Yoke Pheng Joseph (Chairman)
Mr. Tang Tiejun
Mr. Wong Gang

Remuneration Committee

Mr. Wong Gang (Chairman)
Mr. Zhang Ping
Mr. Liew Yoke Pheng Joseph

5. That, the proposed contents of the “Adjustment to the repurchase price of the Restricted A-Shares granted under the 2019 Restricted A-Share Incentive Scheme and the 2nd repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements” (关于调整公司 2019 年 A 股限制性股票激励计划回购价格并第二次回购注销已获授但尚未解除限售的限制性股票的议案) be approved.

As one of the participants of the Scheme is no longer eligible to participate in the Scheme due to such participant's resignation from the Company, the Board proposes to repurchase and cancel all of the 30,000 Restricted A-Shares granted to such participant but not yet released from the lock-up requirements under the Scheme (the “**2nd 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 30,000 Restricted A-Shares to be repurchased and cancelled under the 2nd Proposed Repurchase represents 0.004% of the total share capital of the Company as at the date of this announcement. As the Company has completed the dividend distribution for the financial year ended 31 December 2019 (“**FY2019**”), the repurchase price of the 2nd Proposed Repurchase shall be adjusted to RMB 6.90 per Restricted A-Share plus the applicable interests as calculated at the benchmark interest rate for deposits during the same period when repurchasing.

Upon completion of the 1st Proposed Repurchase (as defined herein) and the 2nd Proposed Repurchase, the total number of shares in the capital of the Company will be reduced to 773,643,076 shares, and the registered capital of the Company will also be reduced to RMB 773,643,076. The Company shall perform the corresponding capital reduction procedures pursuant

to the applicable laws upon completion of the 2nd Proposed Repurchase. The 2nd Proposed Repurchase will not affect the implementation of the Scheme.

On 17 February 2020, the Company duly convened its 2nd Board meeting and 1st Supervisory Committee meeting for FY2020, and the Board and the Supervisory Committee considered and approved the proposed contents of the “Repurchase and cancellation of some of the Restricted A-Shares granted but not yet released from the lock-up requirements under the Scheme” (关于回购注销公司 2019 年 A 股限制性股票激励计划中激励对象已获授但尚未解除限售的限制性股票的议案) (the “**1st Proposed Repurchase**”). The repurchase and cancellation procedures of the 1st Proposed Repurchase has not yet been completed. However, the Company has distributed cash dividends to the participants who have been granted the Restricted A-Shares under the Scheme in accordance with the scheme of profit distribution policy of the Company for FY2019. Therefore, the repurchase price of the 1st Proposed Repurchase shall also be adjusted to RMB 6.90 per Restricted A-Share.

Mr. Li Liquan, Ms. Li Yan, Mr. Wang Mai and Mr. Zhou Hong who are participants of 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 present independent directors of the Company, have given their independent opinions on this matter.

Please refer to the announcements dated 17 February 2020 and 14 August 2020 made by the Company in relation to the 1st Proposed Repurchase and the 2nd Proposed Repurchase respectively for further details.

6. That, the proposed contents of the “Amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration” (关于修订《公司章程》并办理工商变更的议案) be approved.

The Board is of the view that the proposed amendments to the Articles of Association of the Company in relation to, *inter alia*, the registered capital of the Company, are made based on the actual conditions of the Company and comply with the relevant laws, regulations, rules 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**”), and resolved that this matter shall be submitted for Shareholders’ approval at an extraordinary general meeting of the Company.

Mr. Li Liquan, Ms. Li Yan, Mr. Wang Mai and Mr. Zhou Hong who are participants of the Scheme, being interested directors, have abstained from voting on this resolution.

Please refer to the announcement dated 14 August 2020 made by the Company in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration for further details.

7. That, pursuant to the Company Law and the Articles of Association of the Company, the proposed convening of the 1st extraordinary general meeting of the Company in 2020 (the “**2020 1st EGM**”) be approved.

The above resolutions No. 3 and 6 shall be tabled for Shareholders’ approval at the 2020 1st EGM of the Company to be convened in due course.

By order of the Board

Jiao Yan
Company Secretary
14 August 2020