

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

(1) Resolutions Passed at the 2nd Board Meeting for FY2018

(2) Notice of Annual General Meeting for FY2017

The board of directors (the "Board") of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited collectively and individually 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.

(1) Resolutions Passed at the 2nd Board Meeting for FY2018

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") had on 29 March 2018 duly convened its 2nd Board Meeting for the financial year ending 31 December 2018 ("**FY2018**"). The following resolutions were discussed and passed by the 6 directors out of the full board of 7 directors, with Ms. Wang Lei being absent.

The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Memorandum & Articles of Association of the Company, and the following resolutions were passed:

1. that the Chairman's Report for the financial year ended 31 December 2017 ("**FY2017**") be approved;
2. that the Board of Directors' Report for FY2017 be approved;
3. that the contents of the draft annual report for FY2017 (prepared in accordance with the accounting standards of the People's Republic of China (the "**PRC**") and International Financial Reporting Standards) be approved. The Board and management of the Company confirmed that as far as they are aware, the contents of the draft annual report are fair and accurate in all material respects, and that there are no material facts the omission of which would make the annual report misleading;
4. that the Company's audited financial report for FY2017 be approved;
5. that the scheme of profit distribution policy of the Company for FY2017 be approved;

Based on the audited financial report for FY2017 (prepared in accordance with the PRC accounting standards) prepared by Ruihua Certified Public Accountants LLP, the Company's net profit for FY2017 is RMB488,894,579.25, and the Company's undistributed profits at the beginning of FY2017 is RMB1,567,542,806.19. Pursuant to the requirements of the Company's

Articles of Association, in aggregate, RMB49,927,462 has been recorded into the Company's statutory common reserve account and the Company has distributed a dividend of an aggregate amount of RMB115,330,961.4 for FY2017. In light of the above, the accumulated distributable profit of the Company for FY2017 is RMB1,891,178,962.04.

The Board proposed to declare dividends of an aggregate amount of RMB153,774,615.20 on the basis of RMB2.00 (inclusive of taxes) for every 10 shares in the capital of the Company. The proposed dividend is payable in respect of 768,873,076 issued ordinary shares in the capital of the Company as at 31 December 2017.

6. that the Company's "Report on the Social Responsibilities for FY2017" be approved;
7. that the Company's "Self-evaluation Report on the Internal Controls for FY2017" be approved;
8. that the "Report from Independent Directors for FY2017" be approved;
9. that the "Report on Performance from Audit Committee for FY2017" be approved;
10. that the "Report on the Deposit of Proceeds and the Use of Net Proceeds" be approved (please refer to Company's announcement dated 30 March 2018);
11. that the remuneration of S\$60,000 for independent director Mr. Timothy Chen Teck-Leng for FY2017 be approved;
12. that the remuneration of S\$55,000 for independent director Mr. Toe Teow Heng for FY2017 be approved;
13. that the remuneration of RMB60,000 for independent director Mr. Qiang Zhi Yuan for FY2017 be approved;
14. that the aggregate remuneration for directors of Company for FY2017 be approved;
15. that the aggregate remuneration for senior management personnel (excluding directors and members of supervisory committee) for FY2017 be approved;
16. that the re-appointment of Mr. Qiang Zhi Yuan as independent director of the Company be approved;

Mr. Qiang Zhi Yuan, born of Chinese nationality in April 1956, had obtained a PhD in management (accounting), and is a professor at Tianjin University of Finance and Economics, a member of the American Management Association and China Market Association, the vice president of Tianjin Science Research Association, a senior management consultant registered with the Certified Management Consultant (CMC). He was also the former director and former deputy director of economics research centre of Tianjin University of Finance and Economics, the vice president, president and vice Chairman of Tianjin Northern Talent Co., Ltd. From June 2009 to May 2014, he worked as the dean in Graduate School of Modern Economics Management of Tianjin University of Finance and Economics. From August 2007 to December 2013, he was appointed as independent director in Tianjin Lisheng Pharmaceutical Co., Ltd. From June 2014 to June 2016, he worked as a professor in Graduate School of Modern Economics Management of

Tianjin University of Finance and Economics. Since July 2016, he has served as a professor (retired) at Tianjin University of Finance and Economics. From May 2015 to present, he has been the independent director of the Company.

17. that the appointment of Ms. Yu Hong as director of the Company be approved;

Ms. Yu Hong, born in April 1974, had graduated from Tianjin University of Finance and Economic and now holds a master degree of accounting and is also a senior accountant. From July 1997 to April 2002, she was working in the audit department of Tianjin Pharmaceutical Group Co., Ltd. From April 2002 to November 2008, she held the position of Senior Executive in the Accounting Department of Tianjin Pharmaceutical Group Co., Ltd.. From November 2008 to November 2011, she held the position of Deputy Director of the Accounting Department of Tianjin Pharmaceutical Group Co., Ltd.. From November 2011 to February 2018, she held the Director of the Finance Department of Tianjin Pharmaceutical Group Co., Ltd. From December 2012 to 15 March 2018, she was the member of the supervisory committee of the Company.

18. that the proposed amendments to the Articles of Association of the Company be approved;
19. that the proposed renewal of the shareholders' mandate for the interested person transactions be approved;
20. that the loan facilities granted to the Company up to an aggregate limit of RMB8,050,000,000 be approved;

The Company has received bank facilities from the following banks:-

No.	Name of the bank	Line of Credit (RMB'000,000)	Maturity Term
1	Tianjin Branch, Industrial and Commercial Bank of China (中国工商银行天津分行)	400	One year
2	Nankai Sub-branch, Tianjin, Bank of China (中国银行天津 南开支行)	450	One year
3.	Tianjin Branch, The Hongkong and Shanghai Banking Corporation Limited (汇丰银行天津分行)	100	One year
4.	Tianjin Branch, Export-Import Bank of China(中国进出口银 行天津分行)	50	One year
5.	Heping Sub-branch, Tianjin, China CITIC Bank (中信银行天津和平支行)	200	One year
6.	Hebei Sub-branch, Tianjin, China Construction Bank (中国 建设银行天津河北支行)	530	Two years
7.	Tianjin Branch, OCBC China (华侨银行 (中国) 有限公司天津分行)	80	One year
8.	Fubang Huayi Bank, Tianjin Branch(富邦华一银行天津分 行)	90	One year
9.	Tianjin Branch, Industrial Bank Co., Ltd., 兴业银行天津分行	600	One year

10.	Hexi Sub-branch, Tianjin, China Postal Savings Bank Co., Ltd. (中国邮政储蓄银行股份有限公司天津河西区支行)	250	One year
11.	Tianjin Branch, China Bohai Bank(渤海银行天津分行)	800	One year
12.	Tianjin Branch, China Zheshang Bank (浙商银行天津分行)	1,000	One year
13.	Tianjin Branch, Ping An Bank(平安银行天津分行)	500	One year
14.	Merchants Bank of China, Tianjin Branch (招商银行天津分行)	600	One year
15.	China Everbright Bank Co.,Ltd.,Tianjin Branch (光大银行天津分行)	1,000	One year
16.	China Minsheng Bank, Tianjin Branch(中国民生银行股份有限公司天津分行)	200	One year
17.	Standard Chartered Bank (China) Limited, Tianjin Branch (渣打银行(中国)有限公司天津分行)	300	One year
18.	Bank of Beijing, Tianjin Heping Branch (北京银行天津和平支行)	200	One year
19.	Agricultural Bank of China Tianjin Port Free Trade Zone Branch (中国农业银行天津港保税区支行)	500	One year
20.	Hua Xia Bank Co., Ltd., Tianjin Branch (华夏银行天津分行)	200	One year
	Total	8050	

21. that the re-appointment of “Ruihua Certified Public Accountants LLP” as PRC auditors of the Company, to hold office until the conclusion of the next annual general meeting, and re-appointment of “RSM Chio Lim LLP” as international auditors of the Company to hold office until the conclusion of the next annual general meeting be approved, and to propose for the shareholders of the Company at the annual general meeting for FY2017 to authorise the Board to determine their remuneration

22. that the establishment of the Safety Technology Department of the Company be approved;

The Safety Technology Department will be responsible for overseeing the implementation of management measures in relation to all Company-wide major hazard sources, major pollution sources and fire safety issues. In addition, it will ensure safety production and environmental protection at the Company-wide level, as well as supervise fire safety and the implementation of management measures in relation to safety production, environmental protection and fire safety at the Company-wide level. The Safety Technology Department will also be responsible for implementation of education and training in relation to safety production, environmental protection, and fire safety.

23. that the following proposed write-offs and allowances made for various assets of the Company in FY2017 be approved:

(1) the provision for doubtful debts of RMB17,960,500;

- (2) the allowance for inventory of RMB8,337,000 and write-off of the allowance for inventory of RMB3,589,500;
- (3) the allowance for property, plant and equipment of RMB1,287,800 and write-off of the allowance for property, plant and equipment of RMB3,854,100; and
- (4) the allowance for intangible assets of RMB99,900.

24. that the proposed convening of the annual general meeting for FY2017 be approved.

The above resolutions No. 1 and No. 2, resolutions No. 4 and No. 5, resolutions No. 11 to No. 14, and resolutions No. 16 to No. 21 shall be tabled at the annual general meeting for FY2017 to be convened for shareholders' approval.

All the directors have no interest in resolution No. 19 above, and do not need to abstain from voting on the relevant resolution.

Certain directors, being personally interested in the relevant resolutions for approval of their respective remuneration, have duly abstained from voting on the respective resolutions at the Board meeting.

(2) Notice of Annual General Meeting for FY2017

Pursuant to the Companies Law and the Articles of Association of the Company, the Board proposes to convene the annual general meeting for FY2017 at the meeting room of Super Garden Hotel, No. 2 Rongye Avenue, Heping District, Tianjin 300021, PRC on 15 May 2018 at 1:30 p.m.. Concurrently, a video conferencing for holders of "S" shares will be held at Pinnacle Suite, Wangz Business Centre, 7 Temasek Blvd, #44-01, The Penthouse Suntec Tower 1, Singapore 038987.

The agenda for the meeting shall be as follows:

1. To consider and approve the Chairman's Report for FY2017; (Resolution 1)
2. To consider and approve the Board of Directors' Report for FY2017; (Resolution 2)
3. To consider and approve the Supervisory Committee's Report for FY2017; (Resolution 3)
4. To consider and approve the Financial Report and Audit Report for FY2017 audited by Ruihua Certified Public Accountants LLP and RSM Chio Lim LLP; (Resolution 4)
5. To consider and approve the scheme of profit distribution policy of the Company for FY2017; (Resolution 5)

The Board has recommended to declare dividends of an aggregate amount of RMB153,774,615.20 on the basis of RMB2.00 (inclusive of taxes) for every 10 shares in the capital of the Company. The proposed dividend is payable in respect of 768,873,076 issued ordinary shares in the capital of the Company as at 31 December 2017.

6. To consider and approve the remuneration of S\$60,000 for independent director Mr. Timothy Chen

Teck-Leng for FY2017; (Resolution 6)

7. To consider and approve the remuneration of S\$55,000 for independent director Mr. Toe Teow Heng for FY2017; (Resolution 7)
8. To consider and approve the remuneration of RMB60,000 for independent director Mr. Qiang Zhi Yuan for FY2017; (Resolution 8)
9. To consider and approve the aggregate remuneration for directors of the Company for FY2017; (Resolution 9)
10. To consider and approve the aggregate remuneration for members of the Supervisory Committee for FY2017; (Resolution 10)
11. To consider and approve the re-appointment of Mr. Qiang Zhi Yuan as independent director of the Company; (Resolution 11)
12. To consider and approve the appointment of Ms. Yu Hong as director of the Company be approved; (Resolution 12)
13. To consider and approve the appointment of Mr. Wang You Sheng as the member of the Supervisory Committee; (Resolution 13)
14. To consider and approve the proposed amendments of the Articles of Association of the Company; (Resolution 14)
15. To renew the shareholders' mandate for the interested person transactions; (Resolution 15)
16. To consider and approve the loan facilities granted to the Company to an aggregate limit of RMB8,050,000,000; and (Resolution 16)
17. To consider and approve the re-election of "Ruihua Certified Public Accountants LLP" as PRC auditors of the Company, to hold office until the conclusion of the next annual general meeting, and re-election of "RSM Chio Lim LLP" as international auditors of the Company to hold office until the conclusion of the next annual general meeting, and to propose for the shareholders of the Company at the annual general meeting for FY2017 and to authorise the Board of Director to determine their remuneration. (Resolution 17)

Notes:

1. A holder of shares entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons (who need not also be shareholders) to act as their proxies to attend and vote on their behalf.

If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

2. To be effective, the instrument appointing a proxy or proxies must be lodged at the Company's "S" Shares Registrar and Singapore Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd.,

at 50 Raffles' Place, #32-01 Singapore Land Tower, Singapore 048623 (in the case of a holder of "S" shares) no later than 1.30 p.m. on 13 May 2018.

3. Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.
4. Pursuant to the Company's Articles of Association, a holder of tradable domestic shares with limiting conditions for sale shall notify the Company in writing not less than 20 days prior to the Annual General Meeting of his or her intention to attend the Annual General Meeting. A holder of "S" share shall be registered in the shareholder name list or in the Depository Register 48 hours before the appointed time for holding the Annual General Meeting.
5. A holder of tradable domestic shares with limiting conditions for sale who is planning to attend the Annual General Meeting must give a written notice to the Company no later than 19 April 2018.
6. A holder of "S" Shares must be registered in the shareholder name list or in the Depository Register pursuant to his/her identity card and share certificates no later than 1.30 p.m. on 13 May 2018.
7. The Annual General Meeting is expected to last for half a day and all accommodation and other expenses incurred by a shareholder or his/her proxy in connection with his/her attendance at the Annual General Meeting shall be borne by that Shareholder.

By order of the Board

Jiao Yan
30 March 2018