

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

RESOLUTIONS PASSED AT THE 4th BOARD MEETING FOR FY2020

The board of directors (the "Board") and every individual director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Company", together with its subsidiaries, the "Group") 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 Company had on 29 April 2020 duly convened its 4th Board meeting for the financial year ending 31 December 2020 ("FY2020") 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 resolutions were discussed and passed by the 8 directors out of the full board of 8 directors:

1. that the full text and summary of the first quarter financial statement for FY2020 prepared in accordance with the accounting standards of the People's Republic of China and the International Financial Reporting Standards be approved;

The Board and management of the Company confirmed that as far as they are aware, there are no material facts the omission of which would make the aforesaid financial statement misleading.

2. that the proposed merger between the two wholly-owned subsidiaries of the Company, namely Tianjin Chinese Medicine Yinjian Factory Co., Ltd. (天津市中药饮片厂有限公司) and Tianjin Long Shun Rong Development Pharmaceutical Co., Ltd. (天津隆顺榕发展制药有限公司), be approved;

Please refer to the Company's announcement dated 29 April 2020 for further details on this resolution.

3. that the proposed establishment of Tianjin Pharmaceutical Holdings Marketing Management Co., Ltd. (天津医药集团营销管理有限公司) ("**TPH Marketing Management Co.**") by the Company, Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("**TPH**"), Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生制药股份有限公司) ("**Tianjin Lisheng**") and Tianjin Jinyao Group Co., Ltd. (天津金耀集团有限公司) ("**Tianjin Jinyao**") as an interested person transaction and all transactions arising therefrom be approved;

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》), it is proposed that TPH, the Company, Tianjin Lisheng and Tianjin Jinyao will jointly make capital contribution to establish TPH Marketing Management Co. (the company name shall be subject to the approval of the registration authority). As a domestic marketing management platform, TPH Marketing Management Co. will take advantage of group management and focus on common market issues such as enterprise policy research and

judgment, competitive product analysis, market planning, index decomposition, resource coordination and marketing training, and propose platform solutions.

The registered capital of TPH Marketing Management Co. is proposed to be RMB5 million, and all parties shall respectively make the capital contributions in cash as follows:

Name of Shareholder	Capital Contribution (RMB '000)	Percentage of Shareholding
TPH	2,500	50%
The Company	1,000	20%
Tianjin Lisheng	750	15%
Tianjin Jinyao	750	15%
Total	5,000	100%

The business scope of TPH Marketing Management Co. shall include marketing planning; conference and exhibition services; information consulting services (excluding information consulting services subject to license); socio-economic consulting services; market research; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; editing, publishing and distribution of publications; and engagement in advertising business (except for the items subject to approval as required by law, it shall carry out business activities independently based on the business license).

The Company intends to make a capital contribution of RMB1 million (representing approximately 0.02% of the Group's latest audited net tangible assets for the financial year ended 31 December 2019) to participate in the establishment of TPH Marketing Management Co.. This investment will not have a significant impact on the Company's continuing profitability, profits and losses as well as asset status. This resolution does not need to be submitted to the general meeting of shareholders of the Company for consideration and approval.

Mr. Tang Tiejun and Mr. Zhang Ping, as the interested directors, have abstained from voting on this resolution.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
29 April 2020