

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 120000000004711)

(Incorporated in the People's Republic of China)

Resolutions Passed at the 1st Board of Supervisors Meeting for FY2016

The board of supervisors (the "Board") and every individual supervisor 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 of supervisors meeting was duly convened on 11 January 2016 by way of conference call. The following resolution was discussed and passed by the 2 supervisors out of the full board of 3 supervisors, with Ms. Yu Hong abstaining.

The said meeting was convened in compliance with the applicable Companies law, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* (《上海证券交易所股票上市规则》) and the Memorandum & Articles of Association of the Company, and the following resolution was passed:

1. That, "Extension of time for Tianjin Pharmaceutical Group Co., Ltd ("TPG") to fulfil its undertakings (as set out below)" be approved.

TPG had previously undertaken that it will reduce its shareholding in Tianjin Chinese Medicinal Slices Co., Ltd. to 45% or less by 31 October 2015, to ensure that TPG will no longer be in control of Tianjin Chinese Medicinal Slices Co., Ltd. TPG had also previously undertaken that in relation to the Company's traditional Chinese medicine manufacturing segment, TPG will transfer (either via shares or asset sales) its subsidiaries that are in this segment to the Company or independent third parties by 26 November 2015. TPG is now requesting for an extension of time to fulfil the above two undertakings by 31 December 2016. Please refer to the announcement of the Company dated 11 January 2016 for more details on the undertakings.

The board of supervisors is of view that the above resolution is in compliance with the *Guideline No. 4 for the Supervision of Listed Companies – Commitments and Fulfillment of Commitments of the Actual Controllers, Shareholders, Affiliates, and Acquirers of Listed Companies as Well as the Listed Companies* (《上市公司监管指引第四号——上市公司实际控制人、股东、关联方、收购人以及上市公司承诺及履行》), and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

By order of the Board
11 January 2015