

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.91120000103100784F)

(Incorporated in the People's Republic of China)

EXPLANATION ON THE RESULTS OF ANNUAL GENERAL MEETING HELD ON 16 MAY 2016

The board of directors (the "Board") and every individual directors 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.

1. INTRODUCTION

The Board refers to the previous announcement by the Company on 16 May 2016 in relation to the results of annual general meeting of the Company held on 16 May 2016 (the "**Prior Announcement**").

Capitalised terms not defined herein shall bear the same meaning as terms defined in the Prior Announcement.

As the resolution 18 and resolution 21 have not been passed at the AGM. The Company wishes to explain the following.

2. RESOLUTION 18: TO RENEW THE SHAREHOLDERS' MANDATE FOR THE INTERESTED PERSON TRANSACTIONS.

The Company had signed the day-to-day operations contracts (the "**Contracts**") with its interested persons at the end of 2013, and the Company had, at its annual general meetings held on 15 May 2014 and 15 May 2015 respectively, sought and obtained approvals from its shareholders for the interested persons transactions stated under the Contracts, which between the Company and its interested persons are for a period of 5 years beginning 1 January 2014 and ending 31 December 2018. Subject to the listing rules of the Shanghai Stock Exchange Stock Listing Rules (the "**Listing Rules**") and the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the Company will continue to perform all the provisions of the Contracts. Meanwhile, the Company may reconsider the resolution 18 and pursuant to the Listing Rules and the Listing Manual, the Company will resubmit the resolution 18 to seek the approvals from the Board and/or the shareholders of the Company (the "**Shareholders**") for the resolution 18, as the case may be.

3. RESOLUTION 21: TO CONSIDER AND APPROVE THE EXTENSION OF TIME TO PERFORM THE NON-COMPETE UNDERTAKING (THE DETAILS OF WHICH ARE SET OUT IN THE ANNOUNCEMENT OF THE COMPANY DATED 11 JANUARY 2016) BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, TIANJIN PHARMACEUTICAL GROUP CO., LTD.

Tianjin Pharmaceutical Group Co., Ltd will continue to perform the non-complete undertaking. Meanwhile, pursuant to *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*, the Company will resubmit the resolution 21 to seek the Board and Shareholders' approvals for the resolution 21.

BY ORDER OF THE BOARD

Jiao Yan
Company Secretary

17 May 2016