

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No.: 91120000103100784F)

(Incorporated in the People's Republic of China)

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**ANNOUNCEMENT ON THE COMPANY INCLUSION IN DOUBLE HUNDRED ACTIONS FOR THE STATE-OWNED ENTERPRISE REFORM**

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*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.*

Pursuant to the *Notice on the Double Hundred Actions for the State-owned Enterprise Reform* (《关于印发<国企改革“双百行动”工作方案>的通知》) issued by the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC"), the State Council's State-owned Enterprise Reform Leading Group decided to select more than 100 central enterprise subsidiaries and more than 100 local state-owned backbone enterprises to implement for the reform of state-owned enterprises between 2018 and 2020 (the "Double Hundred Actions"). Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Company") was included in the list of Double Hundred Actions.

In accordance with the relevant requirements of the SASAC and the provincial SASAC, the Company will formulate a plan to propose the main targets and tasks, measures, and responsibility for the reform, formulate work schedules and objectives, and implement the corresponding review and approval procedures. Pursuant to the new requirements of the 19th CPC National Congress for the reform of state-owned enterprises, on the basis of upholding the CPC's leadership, the Company will further improve the corporate governance structure, the market-oriented operating mechanism and the incentive and restraint mechanisms to enhance the dynamism and the competitiveness of the Company.

The reform is at a premature stage and the specific schedule has yet to be determined. We will provide updates when appropriate or when there are concrete new developments.

By order of the Board  
10 August 2018