TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.: 120000000004711)

(Incorporated in the People's Republic of China (the "**PRC**"))

Resolutions Passed at the 4th Board Meeting for FY2016

The board of directors of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Board") collectively and individually accept full responsibility for the accuracy of the information given in this announcement, and confirm after making 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.

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") had on 28 April 2016 issued a notice of board meeting to its directors in respect of the 4th board meeting for FY2016, and the board meeting was duly convened on 28 April 2016. The following resolutions were discussed and passed by the 7 directors out of the full board of 9 directors, with Mr. Ma Gui Zhong and Mr. Zhang Jian Jin 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 full text and summary of the first quarter financial statement for FY 2016, prepared in accordance with the accounting standards of the People's Republic of China (the "**PRC**"), and the first quarter financial statement for FY 2016, prepared in accordance with the International Financial Reporting Standards be approved;

(2) **That**, the proposed investment for an aggregate amount of RMB 250,000,000 into the pharmaceutical logistics centre of the Company be approved.

In order to improve the modern pharmaceutical logistics service and facilitate the adjustment of industrial structures, as well as to optimize the management of the product warehouse, pursuant to the new GSP (Good Supply Practice) certification, the Company proposes to build a pharmaceutical logistics centre (the "**Pharmaceutical Logistics Centre**") in a new area, the details are as follows:

(i) Location of the Pharmaceutical Logistics Centre

The Pharmaceutical Logistics Centre is located in the Tianjin Medicine Park,

Beichen District, and to the east of the Sixth Traditional Chinese Medicine Factory of the Company.

(ii) Size of the Pharmaceutical Logistics Centre

The total construction area of the Pharmaceutical Logistics Centre covers 31,222.48 square meters, including the logistics warehouses, office buildings, living buildings for the logistics staff, security room (including the reception offices, the fire control rooms and the dormitories for the security staff), and the equipment stations (including equipment rooms, lounges for the drivers and administrative warehouses).

(iii) Total investment amount for the Pharmaceutical Logistics Centre

The total investments amount for the Pharmaceutical Logistics Centre is expected to be not more than RMB250,000,000, which will arise from the Company's own funds. The total investments amount is expected to account for 6.37% of the latest audited net assets of the Company.

(iv) Necessity of the Pharmaceutical Logistics Centre

(a) Integration of resources, overall planning, resolving storage bottlenecks.

The Pharmaceutical Logistics Centre is not only planned for the Company's own use to resolve the its storage bottlenecks, but is also for the Company to integrate its storage and human resources, and reduce the costs of the Company.

(b) Establishment of third-party logistics centre to create a new economic growth point.

With the development of the pharmaceutical industry, the Company is facing an increasingly competitive environment. In order to gain an advantage over the competition and to achieve sustainable development, the Company must look for a new economic growth point. Due to increasingly higher requirements under the GSP certification, many small and medium sized pharmaceutical companies have entered the third-party logistics business. In addition, the PRC government is encouraging the development of the third-party logistics industry, which will provide development opportunities for the Company to conduct the third-party logistics business to create a new economic growth point.

(c) Sustainable development of the Company

With the use of modern technology and logistics capabilities, and large-scale procurement by way of the integration of the warehousing management and logistics service, will result in an integrated value chain. This will allow the Company to have a better grasp of real-time inventory, the sales status and market status, and adjust the inventory varieties in time to rapidly and efficiently respond to market demands, which will enhance the Company's capacity for its sustainable development.

By order of the Board
29 April 2016