

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 Meeting for FY2016

The board of directors (the "Board") and every individual directors of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited 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.

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") had on 31 December 2015 issued a notice of board meeting to its directors in respect of the 1st board meeting for FY2016, and the board meeting was duly convened on 11 January 2016. The following resolution was 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 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.

This resolution shall be subject to the approval of the Company's shareholders.

By order of the Board
11 January 2016