

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in People's Republic of China)

Extension of Time for Tianjin Pharmaceutical Group Co., Ltd to fulfill its undertaking

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.

The Board refers to the previous announcements dated 7 January 2015, 28 April 2015 and 11 January 2016 in relation to the non-compete undertakings (the "**Prior Announcements**").

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

The Board wishes to announce that the Company has received a notice from Tianjin Pharmaceutical Group Co., Ltd ("**TPG**") requesting for an extension of time (the "**Extension**") to fulfil its undertaking (as set out below). The meetings of the board of directors and the board of supervisors were both duly convened on 19 September 2017. Pursuant to 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》), the details of the Extension are set out below.

1. Extension

1.1 Details of the previous undertaking

As part of the approval process for the Proposed Placement, TPG had previously undertaken that in relation to the Company's sales business segment, TPG undertakes to transfer (either via shares or asset sales) its subsidiaries that are in this segment to the Company or independent third parties by 31 December 2017.

1.2 Rationale for the Extension

At the beginning of 2015, TPG had started to procure the transfer of more than 50% of the

shareholdings in Tianjin Pharmaceutical Group Taiping Pharmaceutical Co., Ltd. (“天津医药集团太平医药有限公司”) (the “**TPG Taiping**”) to the Company or independent third parties, as the case may be, in order to comply with the above undertaking. The Company understands that TPG Taiping is wholly owned by TPG. However, as the actual business operation of TPG Taiping is required to be further arranged, and in order to protect the interests of the minority shareholders of TPG, TPG has decided to postpone the fulfilment of TPG’ s obligations in the undertaking above.

1.4 Undertaking after the Extension

TPG has requested for an extension of time to 31 December 2018 to fulfil the above undertaking. Therefore, TPG will undertake that in relation to the Company’s sales business segment, TPG undertakes to transfer (either via shares or asset sales) its subsidiaries that are in this segment to the Company or independent third parties by 31 December 2018.

2. Opinions from the Independent Directors

The Board is of view that the Extension 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》), the decision-making procedures and approval procedures of the Extension are in compliance with the *Company 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 *Articles of Association of the Company* and will not be prejudicial to the interests of the Company and the minority shareholders of the Company. The Board agrees that approval for the Extension be sought from the Company’s shareholders at a general meeting.

3. Opinions from the Supervisory Committee

The board of supervisors is of view that the Extension are 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》), the decision-making procedures and approval procedures of the Extension are in compliance with the *Company 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 *Articles of Association of the Company* and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

4. Impact on the Company

The Extension will not have an adverse impact on the Company’s operating results, and will not be prejudicial to the interests of the Company and the minority shareholders of the

Company.

5. Shareholders' approvals

The Extension is subject to the approval from the Company's shareholders in an extraordinary general meeting to be convened on 10 October 2017.

By order of the Board of Directors
19 September 2017