

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.: 91120000103100784F)

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

UPDATE ON THE PLACEMENT IN RELATION TO LISTING OF THE NEW PLACEMENT A-SHARES

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 by the Company on 12 June 2014, 12 August 2014, 7 January 2015, 28 January 2015, 27 March 2015, 28 April 2015, 8 June 2015, 15 July 2015, 22 July 2015, 14 August 2015, 26 August 2015, 1 September 2015, 7 September 2015, 28 September 2015, 9 October 2015, 15 October 2015, 30 October 2015, 10 November 2015, 17 November 2015, 8 December 2015, 11 December 2015, 23 December 2015, 19 January 2016, 8 March 2016, 21 March 2016, 26 April 2016 and 8 June 2016 (the "Prior Announcements"), as well as the circular dated 1 August 2014 (the "Circular") in relation to the Placement.

1. INTRODUCTION IN RELATION TO LISTING OF THE NEW PLACEMENT A-SHARES

1.1 Approval Date

Pursuant to the Written Approval from the CSRC, the number of New Placement A-Shares to be issued shall be 29,564,356. The Company had completed the Placement on 10 July 2015. After the Placement, the total number of issued shares of the Company is 768,873,076.

1.2 Date of Registration and Lockup Period

On 10 July 2015, the total number of New Placement A-Shares issued was 29,564,356, the details of which are set out below:

Places	Number of New Placement A-Shares (Non-tradable A-	Reasons for Non-tradable A-Shares	Date of Listing of New Placement A-Shares
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	Shares)		
HuaAn Future Assets Management (Shanghai) Co., Ltd 华安未来资产管理(上海)有限公司	4,434,653	The Placement	11 July 2016
BOSC Assets Capital Management Co., Ltd 上银瑞金资本管理有限公司	4,434,653	The Placement	11 July 2016
BOSC Assets Fund Management Co., Ltd 上银基金管理有限公司	8,869,306	The Placement	11 July 2016
Bohai Securities Co., Ltd. 渤海证券股份有限公司	4,434,654	The Placement	11 July 2016
Changan Fund Management Co., Ltd 长安基金管理有限公司	4,434,653	The Placement	11 July 2016
Huafu Fund Co., Ltd 华福基金管理有限责任公司	2,956,437	The Placement	11 July 2016
Total	29,564,356	/	/

The Placement has been registered with China Securities Depository and Clearing (Shanghai) Corporation Limited on 10 July 2015. The New Placement A-Shares are non-tradable A-Shares, with a lockup period of 12 months commencing from the date of listing of the New Placement A-Shares. The scheduled listing date for the New Placement A-Shares is on 11 July 2016 as 10 July 2016 is not a market day.

2. CHANGE OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

After the Placement, the total number of issued shares of the Company had been increased from 739,308,720 to 768,873,076. As at the date of this announcement, the total number of issued shares of the Company is still 768,873,076.

3. UNDERTAKINGS

The Placees, HuaAn Future Assets Management (Shanghai) Co., Ltd, BOSC Assets Capital Management Co., Ltd, BOSC Assets Fund Management Co., Ltd, Bohai Securities Co., Ltd, and Changan Fund Management Co., Ltd, Huafu Fund Co., Ltd have undertaken that they will not transfer any of the New Placement A-Shares within 12 months after 10 July 2015.

As at the date of this announcement, the Placees have strictly complied with their respective undertakings and there are no violations of the Placees which will affect the listing of the New Placement A-Shares.

4. UTILIZATION OF THE FUNDS OF THE COMPANY

The controlling shareholders and interested persons of the Company have not utilized any funds of the Company.

5. VERIFICATION OPINIONS FROM THE PLACEMENT AGENT

After the verification, the Placement Agent has opined that:

- (i) The listing of the New Placement A-Shares is in compliance with the *Company Law* of the PRC (《中华人民共和国公司法》), *Securities Law* of the PRC (《中华人民共和国证券法》), *Administrative Measures for the Issuance of Securities by Listed Companies* (《上市公司证券发行管理办法》), *Listing Rules of the Shanghai Stock Exchange* (《上海证券交易所股票上市规则》) and other relevant laws and regulations;
- (ii) The number and timeline for the listing of the New Placement A-Shares are in compliance with the relevant laws and regulations and the Placees' undertakings; and
- (3) Information in relation to the listing of the New Placement A-Shares is disclosed accurately, correctly and completely.

The Placement Agent has no objection to the listing of the New Placement A-Shares.

6. LISTING OF THE NEW PLACEMENT A-SHARES

The total number of the New Placement A-Shares of 29,564,356 will be listed on 11 July 2016, the details of which are set out below:

No	Placees	Number of Non-tradable A-Shares	Percentage (%)	Total Number of New Placement A-Shares to be Listed	Balance
1	HuaAn Future Assets Management (Shanghai) Co., Ltd 华安未来资产管理(上海)有限公司	4,434,653	0.58	4,434,653	0
2	BOSC Assets Capital Management Co., Ltd 上银瑞金资本管理有限公司	4,434,653	0.58	4,434,653	0
3	BOSC Assets Fund Management Co., Ltd 上银基金管理有限公司	8,869,306	1.15	8,869,306	0
4	Bohai Securities Co., Ltd. 渤海证券股份有限公司	4,434,654	0.58	4,434,654	0
5	Changan Fund Management Co., Ltdv 长安基金管理有限公司	4,434,653	0.58	4,434,653	0
6	Huafu Fund Co., Ltd 华福基金管理有限责任公司	2,956,437	0.38	2,956,437	0
7	Other Non-tradable A-shareholders	3,105,000	0.40	0	3,105,000
	Total	32,669,356	4.25	29,564,356	3,105,000

7. CHANGE OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

Types of Shares	Before Listing of New Placement A-Shares		Changes	After Listing of New Placement A-Shares	
	Number	Percentage	Number	Number	Percentage
1. Non-tradable A-Shares	32,669,356	4.25%	-29,564,356	3,105,000	0.40%
Among which : A-Shares	32,669,356	4.25%	-29,564,356	3,105,000	0.40%
2. Tradable A-Shares	736,203,720	95.75%	29,564,356	765,768,076	99.60%
Among which : A-Shares	536,203,720	69.74%	29,564,356	565,768,076	73.58%
S-Shares	200,000,000	26.01%	0	200,000,000	26.01%
3. Total	768,873,076	100.00%	0	768,873,076	100.00%

By order of the Board

5 July 2016