

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.: 91120000103100784F)

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

ANNOUNCEMENT PURSUANT TO RULE 704(18)(C) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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

Pursuant to Rule 704(18)(c) of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board wishes to announce that the Company has, on 26 June 2017, entered into a share transfer agreement with an unrelated party, Jiaxing Yun Shi Tai Yu Investment Partnership (L.P.) (the "**Purchaser**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Company's entire 20% equity stake in Tianjin Sinobioway Biomedicine Co., Ltd. (the "**Target Company**"), for a cash consideration (the "**Consideration**") of RMB47,800,000 (the "**Proposed Disposal**").

The Consideration was arrived at on a willing-buyer, willing-seller basis, after taking into account, inter alia, the net asset value of the Target Company of RMB235,335,100, based on the valuation conducted by Beijing Jingdu Zhongxin Asset Evaluation Co., Ltd on 28 August 2016.

As at 30 April 2016, the book value of the asset and the book value of the net asset of the Target Company are approximately RMB160,084,100 and RMB112,843,200, respectively.

The Board wishes to highlight that the relative figures computed under Chapter 10 of the Listing Manual do not exceed 5%.

The Proposed Disposal is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the current financial year.

Upon completion of the Proposed Disposal, the Target Company will cease to be an associated company of the Group.

BY ORDER OF THE BOARD

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27 June 2017