

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 11 July 2016, entered into a share transfer agreement (the "**Agreement**") with Tianjin Yaoye Group Co., Ltd. (the "**Purchaser**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Company's entire 33% equity stake in Tianjin Pharm Group Tech Dev. Co. Ltd (the "**Target Company**"), for a cash consideration of RMB3,119,614.04 (the "**Proposed Disposal**").

As at the date of this announcement, Tianjin Pharmaceutical Group Co., Ltd holds 43.065% of the share capital of the Company, as well as 100% of the share capital of Tianjin Jinyao Group Co., Ltd., which in turn holds 74% of the share capital of the Purchaser. Accordingly, the Purchaser is an interested person and the Proposed Disposal is an interested person transaction as defined under Chapter 9 of the Listing Manual.

The Board wishes to highlight that the relative figures computed under Chapter 9 of the Listing Manual do not exceed 3%, and that the relative figures computed under Chapter 10 of the Listing Manual do not exceed 5%.

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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11 July 2016