

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No.: 91120000103100784F)

(Incorporated in the People's Republic of China)

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**Proposed Mixed-ownership Reform**

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***The board of directors (the “Board”) of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited collectively and individually 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.***

On 8 October 2018, Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “**Company**”) was notified by its controlling shareholder, Tianjin Pharmaceutical Group Co. Ltd (“**TPG**”) that it has proposed to carry out a mixed-ownership reform in order to effectively implement the general planning of the Tianjin Municipal Committee of the Communist Party of China, People's Government of Tianjin Municipality and State-owned Assets Supervision and Administration Commission of Tianjin Municipal Government on promoting the reform of state-owned enterprises (the “**Proposed Mixed-ownership Reform**”). As at the date of this announcement, TPG is the controlling shareholder of the Company and holds 43.066% shareholding interest in the Company.

As at the date of this announcement, the Proposed Mixed-ownership Reform is still in the planning stage and TPG has not completed the works involved in the Proposed Mixed-ownership Reform including, *inter alia*, the various approval procedures, adjustment of the scope of the assets, as well as audit and valuation of the assets. The Company will monitor the progress of the Proposed Mixed-ownership Reform closely, and will timely perform its disclosure obligation strictly in accordance with the requirements of relevant laws, regulations and regulatory documents.

There are significant uncertainties in relation to the Proposed Mixed-ownership Reform as the reform plan for the Proposed Mixed-ownership Reform as well as other exact information in respect of the Proposed Mixed-ownership Reform have not been determined.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

**By order of the Board**

9 October 2018