

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 120000000004711)

(Incorporated in the People's Republic of China)

**INVESTIGATIONS INTO POSSIBLE VIOLATIONS OF PRC LAWS AND REGULATIONS BY
NON-EXECUTIVE DIRECTORS**

The board of directors (the "Board") and every individual directors 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.

The Board wishes to announce that the Company has been informed of the following via an announcement dated 21 August 2015 on the website of the Discipline Inspection and Supervision of Tianjin (天津纪检监察网): 2 non-executive directors of the Company, Mr. Zhang Jian Jin and Mr. Ma Gui Zhong, are currently assisting the Tianjin Commission for Discipline Inspection (天津纪律检查委员会) in investigations into possible violations of PRC laws and regulations. The investigation has been approved by the Tianjin Municipal Party Committee (天津市委). Mr. Zhang Jian Jin has been asked to assist in his capacity as the Secretary to the Party Committee and chairman of the board of directors of Tianjin Pharmaceutical Group Co., Ltd. (天津市医药集团有限公司) ("TPG"), while Mr. Ma Gui Zhong has been asked to assist in his capacity as the vice general manager and the chief accountant of TPG. TPG is the controlling shareholder of the Company.

As the Mr. Zhang Jian Jin and Mr. Ma Gui Zhong are non-executive directors of the Company, they are not involved in the day-to-day operations and management of the Company. Therefore, the above investigation will not have any material adverse effect on the business and operations of the Company.

The Company will make further announcements in due course as and when there are material developments on the above. Shareholders are advised to exercise caution in trading their shares.

By order of the Board
21 August 2015