

**TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED**

(Company Registration No.: 120000000004711)

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

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**Resolutions Passed at the 3<sup>rd</sup> Board Meeting for FY2014**

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*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.*

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") had on 11 March 2014 issued a notice of board meeting to its directors in respect of the 3<sup>rd</sup> Board Meeting for FY2014, and the board meeting was duly convened on 21 March 2014. The following resolution was discussed and passed by the full board of 9 directors.

The said meeting was convened in compliance with the applicable Companies law, Securities Law and the Memorandum & Articles of Association of the Company, and the following resolution was passed:

**That**, the proposed sale of 9% of the total issued share capital of the subsidiary company, Tianjin Da Ren Tang (Bozhou) Chinese Medicine Co., Ltd. (天津达仁堂(亳州)中药饮片有限公司) ("**Bozhou Company**") be approved.

The Company is an existing shareholder of Bozhou Company, holding 60% of total issued shares and the three existing shareholders of Bozhou Company have agreed to introduce Tianjin Jinlian Zhida Consulting Co. Ltd. ("**Jinlian Zhida**") as a strategic investor to enhance the comprehensive strength and market position of Bozhou Company. As agreed, the Company will sell 9% of the total issued share capital of Bozhou Company to Jinlian Zhida and upon completion of the proposed sale, the Company will hold 51% interest in Bozhou Company.

The aggregate purchase consideration for the proposed sale is RMB 1,665,000 (the "**Consideration**") and shall be payable by Jinlian Zhida to the Company based on the valuation of RMB18,500,000 for the total issued share capital of Bozhou Company on 30 November 2013 provided by the independent professional valuer, Tianjin Huazheng Asset Evaluation Co., Ltd. The Consideration amounts to 0.08% of the Company's latest audited net assets value of RMB 2,136,896,100.

By order of the Board

21 March 2014