TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 120000000004711)

(Incorporated in the People's Republic of China)

DRUG GMP CERTIFICATION OBTAINED BY A SUBSIDIARY OF THE COMPANY

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

1. INTRODUCTION

The Board wishes to announce that Tianjin Shin Poong Pharmaceutical Co., Ltd. ("**Tianjin Shin Poong**"), a subsidiary of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**"), has recently obtained a certification of good manufacturing practice for pharmaceutical products from the Tianjin Market and Quality Supervision Administration (the "**Drug GMP Certification**"). The relevant information is set out below:

1.1 Basic information:

Name of company: Tianjin Shin Poong Pharmaceutical Co., Ltd.
Registered address: No.8 Mu Ning Road, Economic & Technological Development Zone, Tianjin
Certification no.: TJ20160105
Scope of Inspection: Import Drug Divided Package (Cephalosporins powder for injection)
Date of expiry: 10 March 2021

1.2 Background information about Tianjin Shin Poong and the products:

Tianjin Shin Poong is a joint venture company incorporated by Tianjin Zhong Xin Pharmaceutical Group Corporation and Korea Shin Poong Pharmaceutical Co., Ltd in 1995, which specialises in the production of cephalosporins.

The company is located at No.8 Mu Ning Road, Economic & Technological Development Zone, Tianjin, near the Bohai coast, which covers an area of about 2.3 million square meters. The asset value and net asset value of the fixed assets of the company are approximately RMB122.59 million and RMB72.62 million respectively. Tianjin Shin Poong is a company which is primarily engaged in the development, manufacture, and sales of medicine, and has also obtained approval for the manufacture of 27 different products, of which 12 are approved for annual production. Tianjin Shin Poong currently has 116 employees, including 53 with professional and technical roles.

Two of the products which are subpackaged by Tianjin Shin Poong are Ceftezole Sodium for

Injection and Cefazedone Sodium for Injection. Ceftezole Sodium for Injection is used in the treatment of sepsis, pneumonia, bronchitis, bronchiectasis (infection), secondary infection of chronic respiratory system diseases, lung abscess, peritonitis, pyelonephritis, cystitis and urethritis.

Cefazedone Sodium for Injection is used for its antibacterial properties, particularly against gram positive bacteria such as staphylococcus aureus, coagulase negative staphylococcus, streptococcus pneumoniae, beta hemolytic streptococcus, etc. It has a similar effect as Cefazolin against gram negative bacteria. It is usually used in the treatment of respiratory system, digestive system (biliary tract infection, peritonitis), urinary system, reproductive system, skin and soft tissue, bone and joint infection caused by sensitive bacteria, it also can be used as preventative medication before surgery.

2. OTHER INFORMATION

2.1 In relation to the production line, the categories of planned production and capacity of design

No.	Name Of Production Line	Main Product	Annual Production Capacity
1	The second powder repackaging line	Ceftezole sodium for injection (repackaging)	About 60 million
		Cefazedone sodium for injection (repackaging)	About 60 million

2.2 Market conditions of major products

No.	Name Of Product	Form	Area of specialisation	Market conditions for ceftezole sodium
1	Ceftezole sodium for injection (repackaging)	powder	antibacterials	At present there are 27 corporation that have obtained the relevant approvals for the manufacture of ceftezole sodium, of which the major manufacturers are Harbin Pharmaceutical Group, Kaifeng Yugang, CSPC Zhongnuo Pharmaceutical.

3. IMPACT ON THE COMPANY

The Drug GMP Certification is conducive for Tianjin Shin Poong to maintain its stable production capacity and improve the quality of its products.

By order of the Board
18 March 2016