

## TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in the People's Republic of China)

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### DRUG GMP CERTIFICATION OBTAINED BY A SUBSIDIARY OF THE COMPANY

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*The board of directors (the "Board") and every individual director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the "Company", together with its subsidiaries, the "Group") 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 Chinese Medicine Yinpian Factory Co., Ltd. (天津市中药饮片厂有限公司) ("Yinpian Factory Co."), a wholly-owned subsidiary of the Company, has recently obtained a Certificate of Good Manufacturing Practices for Pharmaceutical Products (the "**Drug GMP Certification**") issued by the Tianjin Municipal Medical Products Administration (天津市药品监督管理局). The relevant information is set out below:

##### 1.1 Basic information

Name of company : Tianjin Chinese Medicine Yinpian Factory Co., Ltd. (天津市中药饮片厂有限公司)

Registered address : No. 278 Xiqing Road, Xiqing District, Tianjin, the People's Republic of China

Certification no. : TJ20190206

Scope of Inspection : Oral Chinese herbal slices

Date of expiry : 12 November 2024

##### 1.2 Company profile of Yinpian Factory Co. and brief introduction of the product

Yinpian Factory Co. (formerly known as Tianjin Chinese Medicine Yinpian Factory) was founded in 1958, and is now a wholly-owned subsidiary of the Company. It is the oldest enterprise in Tianjin which is involved in the production of Chinese herbal slices. Yinpian Factory Co. has always been adhering to the purpose of "extracting the quintessence of all kinds of herbs, assuming social responsibilities and protecting the health of the people", and as such, seeks to combine the advantages of traditional Chinese medicine with modern technologies, focus on building the "Jinchun (津春)" brand of Chinese herbal slices, thereby continuing its legacy of development of Chinese herbal slices.

The production and operation premises of Yinpian Factory Co. are divided into three areas: (i) the factory located at Changjiang Road, which mainly comprises various administrative offices and GSP warehouses; (ii) the workshop located at No.5 Henan Avenue, Qizhou Industry City, Anguo City (Anguo workshop) with an area of approximately 5,000 square meters, including the production workshops where the general Chinese herbal slices, toxic Chinese herbal slices are produced and where the stir-baking, stir-frying and calcining processes are carried out, as well as the comminution workshop (shared workshop); and (iii) the workshop located at No. 278 Xiqing Road, Xiqing District, Tianjin (Xiqing workshop) with an area of approximately 3,000 square meters, including the production workshops where the general Chinese herbal slices and oral Chinese herbal slices are produced, as well as the packaging workshop and laboratory. Yinpian Factory Co. is mainly engaged in the production and sale of Chinese herbal slices, and the gross value and the net value of its fixed assets are approximately RMB 10.83 million and RMB 5.84 million respectively. It currently has 134 employees, of whom, 73 are professionals specialising in pharmacy and pharmacy-related fields and who possess strong capability in production, operation and quality management and marketing.

The production workshop for the oral Chinese herbal slices as certified by the Drug GMP Certification mainly produces notoginseng radix et rhizome powder. The functions of notoginseng radix et rhizome powder include dispersing stasis and hemostasis, detumescence and pain relief]. It is used for treatment of hemoptysis, hematemesis, hematochezia, metrorrhagia and metrostaxis, traumatic bleeding, thoracic abdominal tingling and puffy pain.

## 2. OTHER INFORMATION

### 2.1 Production line, planned production categories and design capacity

No.	Name Of Production Line (Workshop)	Main Product	Annual Production Capacity
1	Production workshop pf oral Chinese herbal slices	Notoginseng radix et rhizome powder	Approximately 13 tonnes

### 2.2 Market conditions of the major products involved

No.	Name of Product	Area of specialisation	Market conditions of similar product
1	Notoginseng radix et rhizome powder	Dispersing stasis and hemostasis, detumescence and pain relief  Used for treatment of hemoptysis, hematemesis, hematochezia, metrorrhagia and metrostaxis, traumatic bleeding, thoracic abdominal tingling and puffy pain	At present, the main sources of supply of notoginseng radix et rhizome powder in the Tianjin market are from Anguo and Bozhou respectively. The most competitive is the notoginseng radix et rhizome powder produced by Panlong Yunhai Pharmaceutical Co., Ltd. (盘龙云海药业有限公司)

## 3. IMPACT ON THE COMPANY

The Drug GMP Certification obtained by Yinpian Factory Co. for its workshop of oral Chinese

herbal slices has increased the variety of oral Chinese herbal slices produced by the Company, and meets the market demand.

By order of the Board

29 November 2019