

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in the People's Republic of China)

UPDATE ON RECALL OF A PRODUCT FROM HONG KONG

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.

1. INTRODUCTION

The Board refers to the previous announcements by the Company on 20 April 2016, 22 April 2016, 26 April 2016 and 28 April 2016 in relation to the recall of the Product from Hong Kong (the "Prior Announcements").

Capitalised terms not defined herein shall bear the same meaning as terms defined in the Prior Announcements.

Due to the recall of the Product from Hong Kong, the Tianjin Market and Quality Supervision Committee had previously withdrawn the LSR Factory's pharmaceutical GMP Certification and ordered the LSR Factory to cease its production for review. The review has been concluded, and the result is that the LSR Factory had complied with all the requirements of the pharmaceutical GMP Certification.

Pursuant to regulation 34 of the *Regulations of Drug Manufacturing Practices Certification*, in the event that the result of the review is satisfactory to the drug supervision authority, the pharmaceutical GMP Certification shall be reinstated to the company. The Tianjin Market and Quality Supervision Committee has announced that the pharmaceutical GMP Certification was reinstated to the LSR Factory on 6 June 2016. The LSR Factory has resumed its production since the reinstatement on 6 June 2016.

By order of the Board

8 June 2016