

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(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 director 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 certificate of good manufacturing practices for pharmaceutical products from the Tianjin Market and Quality Supervision Administration (天津市市场和质量监督管理委员会) (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.: TJ20180144

Scope of Inspection: Injection (Cephalosporins powder for injection)

Date of expiry: 12 December 2022

1.2 Background information about Tianjin Shin Poong and the products:

Tianjin Shin Poong is a joint venture company incorporated by the Company and Korea Shin Poong Pharmaceutical Co., Ltd in 1995, which specialises in the production of cephalosporins. Keeping in mind the principles of market demand, usage of science and technology for guidance, and having a talented labour force, the company adheres to the ideologies of "keeping pace with the times, and dare to be the first", and strives to, amongst others, build a harmonious enterprise culture and strengthen the branding of the company. Further, in pursuit of supplying quality medicinal products to the market, the company's business philosophy is centred on the principles of "quality first, safety first".

The company is located near the Bohai coast at No.8 Mu Ning Road, Economic & Technological Development Zone, Tianjin, and covers an aggregate land area of approximately 23,000 square meters. The asset value and net asset value of the fixed assets of the company are approximately RMB110.59 million and RMB57.5 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 7 are approved for annual production. Tianjin Shin Poong currently has 104 employees, of which 40 employees are designated professional and/or technical roles, and they have strong capability in product development, production quality management and marketing.

Ceftizoxime Sodium (for injection) is a drug for treating lower respiratory tract infection caused by sensitive bacteria, urinary tract infection, abdominal infection, pelvic infection, septicemia, skin and soft tissue infection, infection of the bone and joints, meningitis and simple gonorrhoea caused by streptococcus pneumoniae or haemophilus influenzae.

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	Powder needle assembly line	Ceftizoxime 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 ceftazole sodium
1	Ceftizoxime sodium for injection (repackaging)	Powder	Antibacterials	At present there are 32 corporations that have obtained the relevant approvals for the manufacture of ceftizoxime sodium, of which the major manufacturers are Harbin Pharmaceutical Group and Southwest Pharmaceutical Co., Ltd.

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
23 May 2018