

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No. 91120000103100784F)

(Incorporated in the People's Republic of China)

INTELLECTUAL PROPERTY MANAGEMENT SYSTEM CERTIFICATIONS OBTAINED BY COMPANY AND ITS SUBSIDIARY

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 Zhong Xin Pharmaceutical Group Corporation Limited (the "**Company**") and Tianjin Zhong Xin Pharmaceutical Group Corporation Limited Le Ren Tang Pharmaceutical Factory ("**Tianjin Le Ren Tang**") have recently obtained the Intellectual Property Management System Certifications from Zhongzhi (Beijing) Certification Co Ltd., indicating that the Company and Tianjin Le Ren Tang have systems of intellectual property management which are in compliance with the standards of the Rules of Enterprise IPR Management (GB/T29490-2013). The relevant information regarding the certifications are set out below.

1.1 Basic information about the certification obtained by the Company:

Name of company: Tianjin Zhong Xin Pharmaceutical Group Corporation Limited
Registered address: 7th floor of Zhongxin Masion, No.17 Baidi Road, Nankai District, Tianjin PRC
Post code: 300193
Certification no.: 165IP160476ROM
Date of issuance: 24 November 2016
Date of expiry: 23 November 2019

1.2 Basic information about the certification obtained by Tianjin Le Ren Tang:

Name of company: Tianjin Zhong Xin Pharmaceutical Group Corporation Limited Le Ren Tang Pharmaceutical Factory
Registered address: No. 2 Daming Avenue, Xiqing District
Post code: 300112
Certification no.: 165IP160476ROM-1
Date of issuance: 24 November 2016
Date of expiry: 23 November 2019

2. OTHER INFORMATION

The Rules of Enterprise IPR Management (GB/T29490-2013) are national standards which were

proposed by the State Intellectual Property Office, and drafted by the State Intellectual Property Office together with the China National Institute of Standardization, with the purpose of regulating the management of intellectual property of a company and ensuring that the system of intellectual property plays its full role in the development of the company.

3. IMPACT ON THE COMPANY

As the Company places a strong focus on the innovation of Chinese medicine, it values the importance of having a well-managed system of intellectual property and hence, puts emphasis on the management of intellectual property such as patent technology, trademarks, etc. Having obtained the certifications, the overall management of the Company's intellectual property will have higher standards and be more systemic and scientific. This will improve the Company's sense of intellectual property protection, promote the Company's self-innovation capability, and improve both the core competitiveness and status of market competition of the Company.

By Order of the Board
7 December 2016