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China NT Pharma Group Company Limited

中國泰凌醫藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01011)

UPDATES ON PROFIT WARNING

This announcement is made by China NT Pharma Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 14 December 2012 where the board of directors of the Company (the “**Board**”) stated that the Group will likely record a loss for the year ended 31 December 2012. The Board wishes to inform the shareholders of the Company and potential investors that based on a review of the Group’s unaudited management accounts for the year ended 31 December 2012 and the information currently available to the Board, it is of the view that the Group will record a substantial loss for the year ended 31 December 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the profit warning announcement of the Company dated 14 December 2012 where the Board stated that the Group will likely record a loss for the year ended 31 December 2012. Based on (i) a review of the Group’s unaudited management accounts for the year ended 31 December 2012 and (ii) further audit work performed and analysis on the expected impairment of assets including accounts receivable, inventory, intangible assets, deposits and prepayments, the Board wishes to inform the shareholders of the Company and potential investors that it is of the view that such loss for the year ended 31 December 2012 will be substantial.

The expected loss is principally attributable to the Company's business restructuring measures introduced during the year ended 31 December 2012 in order to enhance its competitiveness and to improve cash flow, which involved a gradual exit from its vaccine and pharmaceutical supply chain business and downsizing of its vaccine sales and promotion team. Furthermore, after conducting a thorough review of its business units and product portfolio, the Group made the decision to terminate its over-the-counter promotion business as well as its dermatological products around the end of 2012 in order to focus on its pharmaceutical promotion business in the key therapeutic areas of oncology, anti-infectives and central nervous systems. As a result of these business restructuring measures, the Group will report substantially decreased sales revenue and significant impairment of accounts receivable, write-down of inventories, impairment of distribution rights, prepayments and deposits as well as staff retrenchment, leading to a substantial loss for the whole year.

Shareholders and investors should read the annual results announcement of the Company for the year ended 31 December 2012 carefully which is expected to be published before the end of March 2013.

The Board considers that the overall operational and financial positions of the Group remain solid and the Board remains positive on the long-term prospect of the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China NT Pharma Group Company Limited
Ng Tit
Chairman

Hong Kong, 20 March 2013

As at the date of this announcement, the executive director of the Company is Mr. Ng Tit; the non-executive directors of the Company are Ms. Chin Yu, Dr. Qian Wei, Mr. Wang Fan and Mr. Hung Leung; and the independent non-executive directors of the Company are Mr. Yue Nien Martin Tang, Mr. Patrick Sun and Dr. Lap-Chee Tsui.