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CHINA PIONEER PHARMA HOLDINGS LIMITED

中国先锋医药控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01345)

ANNOUNCEMENT

EXTENSION OF THE RIGHTS TO MARKET, PROMOTE AND SELL POLIMOD® IN CHINA

Reference is made to the announcement of China Pioneer Pharma Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 December 2014 in relation to the license and distribution agreement (the “**Agreement**”) with one of its major suppliers, Polichem S.A. of Switzerland (“**Polichem**”). The Company is pleased to announce that on 24 February 2016, the Group, through its wholly-owned subsidiary Naqu Area Pioneer Pharma Co., Ltd., entered into a supplemental agreement to the Agreement (the “**Supplemental Agreement**”) with Polichem, pursuant to which the rights to market, promote and sell Polimod® of the Group shall be extended from eight provinces in the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan) (“**China**”) to the whole territory of China with effect from 7 March 2016.

Polimod® is one of the important products of the Group, which is considered by the Group to be associated with a vast market demand and development potential. The revenue generated from Polimod® represents approximately 5% of the total revenue of the Group for the year ended 31 December 2014 and approximately 9% of the total revenue of the Group for the six months ended 30 June 2015. The extension of the rights to market, promote and sell Polimod® of the Group to the whole territory of China will further increase its contribution to the Group’s revenue. The entering into of the Supplemental Agreement with Polichem demonstrates the sustainable relationship and mutual trust between the Group and its supplier. After signing the Supplemental Agreement, the Group is granted the rights to market, promote and sell all four products from Polichem, namely Polimod®, Macmiror Complex®, Macmiror® and Cripa® in the whole territory of China until the end of 2019, which is expected to help the Group to further implement the sales and marketing program of such products, and to generate sustainable revenue for the Group in the future.

INFORMATION ON POLICHEM AND POLIMOD®

Polichem is a Switzerland-based pharmaceutical company with a broad range of experience in all aspects of medical product development with an operation history over 60 years. It is devoted to providing customers worldwide with a high-quality and innovative product portfolio. Polichem focuses mainly on dermatological and gynecological products, with its product portfolio covering other therapeutic areas including neurology and respiratory diseases. To the best of the Company's directors' knowledge, information and belief having made all reasonable enquiries, Polichem and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Polimod® (pidotimod) is a synthetic oral immune stimulant, which works by stimulating and regulating cell-mediated immune response, and is applied to patients with immune dysfunction, such as respiratory tract infections, otolaryngology infections, urinary tract infections and gynaecological infections. Polimod® is the originator of pidotimod. In 2011, the Group was first authorised to market, promote and sell Polimod® in eight provinces in China. According to the Southern Medicine Economic Research Institute and China Medical and Pharmaceutical Economic Information Network, Polimod® was the second best-selling pidotimod product in China in 2013.

INFORMATION ON THE GROUP

The Group is one of the largest comprehensive marketing, promotion and channel management service providers dedicated to imported pharmaceutical products and medical devices in China. The Group's product portfolio includes ophthalmology, pain management, cardiovascular, respiratory, gastroenterology, immunology and other therapeutic areas, and medical devices covering several medical specialties, including ophthalmology, odontology and wound care products, etc. As of 30 June 2015, the Group sold products through its nationwide marketing, promotion and channel management services networks to over 29,000 hospitals and other medical institutions and over 105,000 pharmacies across 31 provinces, municipalities and autonomous regions in China.

By order of the Board
China Pioneer Pharma Holdings Limited
Li Xinzhou
Chairman

Hong Kong, 24 February 2016

As at the date of this announcement, the directors of the Company are Mr. LI Xinzhou, Mr. WANG Yinping and Mr. ZHU Mengjun as executive directors, Mr. WU Mijia as non-executive director and Mr. XU Zhonghai, Mr. LAI Chanshu and Mr. WONG Chi Hung, Stanley as independent non-executive directors.