
COMPANY HISTORY AND REORGANIZATION

HISTORY AND DEVELOPMENT

Our business commenced in May 1998 with the incorporation of MP Shanghai in China. We began manufacturing bare-metal stents in 2000. In 2001, we established a holding company, MP Cayman, in the Cayman Islands, and MP Shanghai became a wholly owned subsidiary of MP Cayman. By February 2004, after a series of transactions, MP Shanghai was owned by MP Cayman, Otsuka (China) Investment Co., Ltd. (“Otsuka China”), a wholly owned subsidiary of Otsuka Pharmaceutical, and SIIC MedTech, each holding 52.78%, 40% and 7.22% of the equity interest in MP Shanghai, respectively. See “— Private placements” below. In July 2004, we commercially launched our proprietary drug-eluting stent, Firebird.

In July 2006, we incorporated our Company in the Cayman Islands with limited liability. Subsequently, after a series of transactions, MP Cayman and the other shareholders in MP Shanghai exchanged all of their shares in MP Shanghai for Shares in our Company, and as a result, we hold, directly and indirectly through our wholly owned subsidiaries in BVI, Leader City and MP Medical, 100% of the equity interest of MP Shanghai. This reorganization is described in more detail in “— Restructuring” below. We currently conduct our business in China primarily through MP Shanghai. MP Shanghai is also responsible for the sales of our products to international markets including the Asia Pacific region (excluding China), South America and Europe, some of which until 2009 were made through MP B.V.

MP B.V., a company established under the laws of The Netherlands, has become our wholly owned subsidiary since January 2007. MP B.V. assists us in coordinating with the European Union regulatory authorities in connection with obtaining regulatory approvals for our products and distributes our products in the international market. In addition, until 2009 some of our sales to international markets were made through MP B.V. Prior to September 2006, MP B.V. was wholly owned by A.W.J. de Korte Holding B.V., which in turn was, to the best knowledge of our Directors, wholly owned by A.W.J. de Korte, the former manager of MP B.V. In September 2006, MP Cayman acquired 100% of the outstanding shares of MP B.V. from A.W.J. de Korte Holding B.V. In January 2007, MP Cayman transferred those shares to our Company for a nominal consideration in connection with the reorganization described in “— Restructuring” below. See “— Acquisition of equity interest in MP B.V.” below.

In April 2008, we established MP Lifesciences Shanghai, an indirectly wholly owned subsidiary of our Company, in China. In June 2008, we completed our acquisition of MP Lifesciences Beijing (previously named as Beijing Pangerui), a company established under the laws of the PRC, and MP Lifesciences Beijing became our indirectly wholly owned subsidiary. We currently conduct and develop our diabetes business through MP Lifesciences Shanghai and MP Lifesciences Beijing. In May 2009, we established MP Orthopedics, an indirectly wholly owned subsidiary of our Company, in China. We currently conduct and develop our orthopedic business through MP Orthopedics. In January 2009, we commercially launched our second generation drug-eluting stent, Firebird 2. In August 2010, we established MP Electrophysiology, an indirectly wholly owned subsidiary of our Company, in China. We currently conduct the research and development of our EP products, and expect to conduct our business related to EP products, through MP Electrophysiology.

We also have one branch office in Beijing, which was established in August 2000 and is responsible primarily for coordinating with SFDA in connection with obtaining SFDA approvals for our products and providing customer services.

PRIVATE PLACEMENTS

The following shares, options and per share data are presented on an actual basis and do not reflect the 7.8-for-1 share split effected by MP Cayman in November 2003 and the 10-for-1 share split conditionally adopted by our Company on September 3, 2010.

COMPANY HISTORY AND REORGANIZATION

MP Shanghai

In 1998, MP Shanghai was established in China with a registered capital of US\$300,000. In 2000, the registered capital of MP Shanghai was increased to US\$1,500,000. In 2001, we established a holding company, MP Cayman, in the Cayman Islands, and MP Shanghai became a wholly owned subsidiary of MP Cayman.

During 2001 and 2002, as a result of a series of transactions set forth below, MP Shanghai was owned by MP Cayman, SIIC MedTech and several institutional investors:

- (i) In November 2001, the registered capital of MP Shanghai was increased to US\$1,652,300 with the contribution of US\$152,300 to the registered capital of MP Shanghai by Shanghai Zhangjiang Ventures Capital Co., Ltd. (“Zhangjiang Ventures”), a state-controlled company established under the laws of the PRC. As a result, the equity interest of MP Shanghai was owned as to 90.78% and 9.22% by MP Cayman and Zhangjiang Ventures, respectively.
- (ii) In May 2002, the registered capital of MP Shanghai was increased to US\$2,362,200 with the contribution of US\$287,100 and US\$422,800 to the registered capital of MP Shanghai by Zhangjiang Ventures and Shenzhen Capital Group Co., Ltd. (“Shenzhen Capital”), a state-controlled company established under the laws of the PRC, respectively. As a result, the equity interest of MP Shanghai was owned as to 63.5%, 18.6% and 17.9% by MP Cayman, Zhangjiang Ventures and Shenzhen Capital, respectively.
- (iii) In July 2002, the registered capital of MP Shanghai was increased to US\$2,899,700 with the contribution of US\$267,500, US\$180,700 and US\$89,300 to the registered capital of MP Shanghai by Zhangjiang Ventures, Shenzhen Capital and Shandong Gaoyang Construction Co., Ltd. (“Shandong Gaoyang”), a collectively-owned enterprise established under the laws of the PRC, respectively. As a result, the equity interest of MP Shanghai was owned as to 51.73%, 24.38%, 20.81% and 3.08% by MP Cayman, Zhangjiang Ventures, Shenzhen Capital and Shandong Gaoyang, respectively.
- (iv) In August 2002, the registered capital of MP Shanghai was increased to US\$3,685,000 with the contribution of US\$405,400 and US\$379,900 to the registered capital of MP Shanghai by MP Cayman and SIIC MedTech, respectively. As a result, the equity interest of MP Shanghai was owned as to 51.71%, 19.18%, 16.38%, 10.31% and 2.42% by MP Cayman, Zhangjiang Ventures, Shenzhen Capital, SIIC MedTech and Shandong Gaoyang, respectively.

In 2004, as a result of a series of transactions set forth below among MP Cayman, SIIC MedTech, Otsuka China and the several institutional investors, MP Shanghai was owned by MP Cayman, Otsuka China and SIIC MedTech, each holding 52.78%, 40% and 7.22% of the equity interest of MP Shanghai, respectively:

- (i) In February 2004, each of Zhangjiang Ventures, Shenzhen Capital and Shandong Gaoyang agreed to transfer its 17.15%, 14.65% and 2.16% equity interest in MP Shanghai to Otsuka China for a consideration of US\$3,612,812, US\$3,086,163 and US\$455,025, respectively.
- (ii) In February 2004, each of Zhangjiang Ventures, Shenzhen Capital and Shandong Gaoyang agreed to transfer its 2.03%, 1.73% and 0.26% equity interest in MP Shanghai to MP Cayman for a consideration of US\$427,208.96, US\$364,074.63 and US\$54,716.42, respectively.
- (iii) In February 2004, the registered capital of MP Shanghai was increased to US\$5,261,773 with the contribution of US\$871,763 and US\$705,010 to the registered capital of MP Shanghai by MP Cayman and Otsuka China, respectively. As a result, the equity interest of MP Shanghai was owned as to 52.78%, 40% and 7.22% by MP Cayman, Otsuka China and SIIC MedTech, respectively.

COMPANY HISTORY AND REORGANIZATION

- (iv) In August 2004, the registered capital of MP Shanghai was increased to US\$12,000,000 with the contribution of US\$3,556,437, US\$2,695,290 and US\$486,500 to the registered capital of MP Shanghai by MP Cayman, Otsuka China and SIIC MedTech, respectively. As a result, the equity interest of MP Shanghai was owned as to 52.78%, 40% and 7.22% by MP Cayman, Otsuka China and SIIC MedTech, respectively.

All of the foregoing transactions were conducted, and the respective consideration was determined, based on arm's length negotiation. In addition, we have obtained all necessary approvals for the foregoing transactions.

MP Cayman

In 2001, MP Cayman was established in the Cayman Islands as a holding company with an authorized share capital of US\$50,000, divided into 5,000,000 ordinary shares of a par value of US\$0.01 each.

After a series of transactions set forth below from 2001 to 2006, prior to our Reorganization as described in “— Reorganization” below, MP Cayman was owned by several institutional investors including We'Tron Capital, SIIC MedTech, Device Best, Info Trinity and Otsuka Pharmaceutical as to 59.29%, 26.05%, 10.42%, 1.84% and 2.40%, respectively:

- (i) In September 2002, MP Cayman allotted 7,871 ordinary shares and 2,127 ordinary shares to Dr. Zhaohua Chang and SIIC MedTech for a consideration of US\$78.71 and US\$1,105,400, respectively. The consideration paid by SIIC MedTech was determined based on arm's length negotiation. As a result, Dr. Zhaohua Chang, together with two subscriber shares held by him, and SIIC MedTech held 78.73% and 21.27% of the issued and outstanding share capital of MP Cayman, respectively.
- (ii) In September 2003, Dr. Zhaohua Chang transferred 7,003 ordinary shares and 339 ordinary shares of MP Cayman to Shanghai We'Tron and Winning Forward Limited (“Winning Forward”), a company incorporated under the laws of Hong Kong and owned as to 47%, 47% and 6% by Mr. Philip Li Wang, our chief operating officer, and two independent third parties, respectively (Mr. Wang ceased to be a shareholder of Winning Forward in April 2005), for a consideration of US\$1 each. As a result, Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang and Winning Forward held 70.03%, 21.27%, 5.31% and 3.39% of the issued and outstanding share capital of MP Cayman, respectively.
- (iii) In November 2003, MP Cayman increased and redenominated its authorized share capital to HK\$500,000, divided into 50,000,000 ordinary shares of a par value of HK\$0.01 each, and effected a 7.8-for-1 share split. As a result, Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang and Winning Forward held 54,623 ordinary shares, 16,591 ordinary shares, 4,142 ordinary shares and 2,644 ordinary shares of MP Cayman, representing 70.03%, 21.27%, 5.31% and 3.39% of the issued and outstanding share capital of MP Cayman, respectively.
- (iv) In February 2004, MP Cayman allotted 34,962,161 ordinary shares, 10,618,409 ordinary shares, 2,649,074 ordinary shares and 1,692,356 ordinary shares to Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang and Winning Forward for a consideration of HK\$349,621.61, HK\$106,184.09, HK\$26,490.74 and HK\$16,923.56, respectively. As a result, Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang and Winning Forward held 70.03%, 21.27%, 5.31% and 3.39% of the issued and outstanding share capital of MP Cayman, respectively.
- (v) In February 2004, MP Cayman increased its authorized share capital to HK\$700,000, divided into 65,000,000 ordinary shares of a par value of HK\$0.01 each and 5,000,000 preference shares of a par value of HK\$0.01 each.

COMPANY HISTORY AND REORGANIZATION

- (vi) In May 2004, as a result of Otsuka Pharmaceutical's strategic investment in MP Cayman, MP Cayman issued 1,229,817 preference shares to Otsuka Pharmaceutical for a consideration of US\$4,974,000. Such consideration was determined based on arm's length negotiation. As a result, Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang, Winning Forward and Otsuka Pharmaceutical held 68.35%, 20.76%, 5.18%, 3.31% and 2.40% (on an as-converted basis) of the issued and outstanding share capital of MP Cayman, respectively.
- (vii) In May 2004, Shanghai We'Tron transferred 2,710,000 ordinary shares of MP Cayman to SIIC MedTech for a consideration of US\$602,422. Such consideration was determined based on arm's length negotiation. As a result, Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang, Winning Forward and Otsuka Pharmaceutical held 63.06%, 26.05%, 5.18%, 3.31% and 2.40% (on an as-converted basis) of the issued and outstanding share capital of MP Cayman, respectively.
- (viii) In June 2005, Winning Forward transferred 1,440,750 ordinary shares and 254,250 ordinary shares of MP Cayman to Device Best and Info Trinity for a consideration of US\$850,042.50 and US\$150,007.50, respectively. Such considerations were determined based on arm's length negotiation. As a result, Winning Forward ceased to be a shareholder of MP Cayman, and Shanghai We'Tron, SIIC MedTech, Dr. Zhaohua Chang, Device Best, Otsuka Pharmaceutical and Info Trinity held 63.06%, 26.05%, 5.18%, 2.81%, 2.40% (on an as-converted basis) and 0.50% of the issued and outstanding share capital of MP Cayman, respectively.
- (ix) In August 2005, Dr. Zhaohua Chang transferred 1,473,898 ordinary shares and 260,100 ordinary shares of MP Cayman to Device Best and Info Trinity for a consideration of US\$977,500 and US\$172,500, respectively. Such considerations were determined based on arm's length negotiation. As a result, Shanghai We'Tron, SIIC MedTech, Device Best, Otsuka Pharmaceutical, Dr. Zhaohua Chang and Info Trinity held 63.06%, 26.05%, 5.69%, 2.40% (on an as-converted basis), 1.79% and 1.00% of the issued and outstanding share capital of MP Cayman, respectively.
- (x) In October 2005, Dr. Zhaohua Chang transferred 781,335 ordinary shares and 137,883 ordinary shares of MP Cayman to Device Best and Info Trinity for a consideration of US\$989,951.45 and US\$174,697.76, respectively. Such considerations were determined based on arm's length negotiation. As a result, Dr. Zhaohua Chang ceased to be a shareholder of MP Cayman, and Shanghai We'Tron, SIIC MedTech, Device Best, Otsuka Pharmaceutical and Info Trinity held 63.06%, 26.05%, 7.21%, 2.40% (on an as-converted basis) and 1.27% of the issued and outstanding share capital of MP Cayman, respectively.
- (xi) In March 2006, in connection with the rearrangement of Dr. Zhaohua Chang's investment in MP Cayman, Shanghai We'Tron transferred 32,306,784 ordinary shares of MP Cayman to Dr. Zhaohua Chang. As a result, Shanghai We'Tron ceased to be a shareholder of MP Cayman, and Dr. Zhaohua Chang, SIIC MedTech, Device Best, Otsuka Pharmaceutical and Info Trinity held 63.06%, 26.05%, 7.21%, 2.40% (on an as-converted basis) and 1.27% of the issued and outstanding share capital of MP Cayman, respectively.
- (xii) In March 2006, in connection with the rearrangement of Dr. Zhaohua Chang's investment in MP Cayman, Dr. Zhaohua Chang transferred 32,306,784 ordinary shares of MP Cayman to We'Tron Capital. As a result, Dr. Zhaohua Chang ceased to be a shareholder of MP Cayman, and We'Tron Capital, SIIC MedTech, Device Best, Otsuka Pharmaceutical and Info Trinity held 63.06%, 26.05%, 7.21%, 2.40% (on an as-converted basis) and 1.27% of the issued and outstanding share capital of MP Cayman, respectively.

COMPANY HISTORY AND REORGANIZATION

(xiii) In March 2006, We'Tron Capital transferred 1,643,874 ordinary shares and 290,095 ordinary shares of MP Cayman to Device Best and Info Trinity for a consideration of US\$2,082,788.36 and US\$367,550, respectively. Such considerations were determined based on arm's length negotiation. As a result, We'Tron Capital, SIIC MedTech, Device Best, Otsuka Pharmaceutical and Info Trinity held 59.29%, 26.05%, 10.42%, 2.40% (on an as-converted basis) and 1.84% of the issued and outstanding share capital of MP Cayman, respectively.

Between February 2004 and June 2005, MP Cayman granted options to purchase in aggregate 10,261,030 ordinary shares at exercise prices ranging from nil to HK\$1.1057 and US\$0.38 per share under the 2004 Option Plan. The term of the subject options is ten years, and nominal considerations were payable in connection with these grants. As of December 31, 2006, MP Cayman issued in aggregate 8,869,245 ordinary shares for an aggregate consideration of HK\$4,058,000 pursuant to the exercise of share options granted under the 2004 Option Plan. In January 2007, we entered into a transfer and assumption agreement with MP Cayman under which we assumed all outstanding and unexercised options under the 2004 Option Plan.

REORGANIZATION

The following shares, options and per share data are presented on an actual basis and do not reflect the 10-for-1 share split conditionally adopted by our Company on September 3, 2010.

Restructuring

In order to make MP Shanghai a wholly-owned subsidiary of an offshore entity which could be listed on an overseas stock market, we incorporated our Company in the Cayman Islands with limited liability in July 2006 and entered into a series of transactions as described below.

In August 2006, Otsuka China transferred its 40% equity interests in MP Shanghai to our Company for a consideration of US\$15,090,000. In connection with this transfer, we issued 45,665,595 of our ordinary shares to Otsuka Pharmaceutical for a consideration of US\$15,090,000 in September 2006. Also in August 2006, MP Cayman transferred its 52.78% equity interest in MP Shanghai to its wholly owned subsidiary, MP Medical, and SIIC MedTech transferred its 7.22% equity interest in MP Shanghai to its wholly owned subsidiary, Leader City.

In August 2006, we issued ordinary shares, par value US\$0.0001 per share, of our Company to MP Cayman, Otsuka Pharmaceutical and SIIC MedTech at par value. We also issued preference shares, par value US\$0.0001 per share, of our Company to Otsuka Pharmaceutical at par value. As a result, MP Cayman and SIIC MedTech held 5,278 ordinary shares and 722 ordinary shares of our Company, respectively, and Otsuka Pharmaceutical held 4,000 ordinary shares and 1,229,817 preference shares of our Company.

In November 2006, we issued 60,255,782 ordinary shares and 8,242,640 ordinary shares to MP Cayman and SIIC MedTech, respectively, in exchange for their entire equity interests in MP Medical and Leader City.

In December 2006, MP Cayman distributed shares of our Company that it held to its shareholders according to each shareholder's equity interests in MP Cayman on a one-to-one basis. As to the remaining undistributed shares of our Company held by MP Cayman, we repurchased all those shares from MP Cayman in January 2007 and cancelled them on the same day. MP Cayman was dissolved in December 2007.

As a result of the foregoing, MP Medical and Leader City became our wholly owned subsidiaries, and we held, directly and indirectly through MP Medical and Leader City, 100% of the equity interest in MP Shanghai. We were held by shareholders including Otsuka Pharmaceutical, We'Tron Capital, SIIC MedTech, Device Best, Info Trinity and other minority individual and institutional investors as a group, each holding approximately 40.9%, 18.9%, 18.8%, 4.7%, 0.8% and 15.9% of our issued and outstanding share capital.

COMPANY HISTORY AND REORGANIZATION

Acquisition of equity interest in MP B.V.

Prior to September 2006, MP B.V. was wholly owned by A.W.J. de Korte Holding B.V., which in turn was, to the best knowledge of our Directors, wholly owned by A.W.J. de Korte, the former manager of MP B.V. In September 2006, MP Cayman acquired 100% of the outstanding shares of MP B.V. from A.W.J. de Korte Holding B.V. for a total consideration of Euro18,000. In January 2007, MP Cayman transferred those shares to our Company for a nominal consideration in connection with the restructuring as described in “— Restructuring” above.

SHAREHOLDERS AGREEMENT

Our shareholders agreement with holders of our ordinary shares and preference shares sets forth that such agreement will terminate upon the closing of a qualified IPO. Pursuant to a shareholder resolution passed in March 2010, we amended our Articles such that the Global Offering would constitute a “qualified IPO” under our Articles. Based on this and a written confirmation of the Covenantors expected to be received by our Company prior to the completion of the Global Offering, we understand that the shareholders agreement will terminate upon the consummation of the Global Offering. In addition, all of our preference shares will automatically convert into ordinary shares on a one-to-one basis upon the consummation of the Global Offering. Consequently, no preference shares will be outstanding immediately following completion of the Global Offering.

Rights of holders of our ordinary shares

Pursuant to the shareholders agreement, holders of our ordinary shares were granted the following rights, all of which will be terminated upon the consummation of the Global Offering.

Information right

Holders of our ordinary shares are entitled to inspect and make copies of all documents relating to our Company and our business and to discuss our Company’s affairs and finances with our Directors. Holders of our ordinary shares are also entitled to receive financial statements and copies of all reports prepared for or at the request of our Directors.

Participation right

Prior to the allotment and issue of any new securities by our Company to any third party, holders of our ordinary shares are entitled to subscribe for its pro rata share of such new securities.

Right of first refusal

Holders of our ordinary shares are entitled to purchase some or all of the ordinary shares proposed to be sold by any other holder of our ordinary shares.

Co-sale right

If any holder of our ordinary shares is selling its ordinary shares, subject to the foregoing right of first refusal, other holders of our ordinary shares are entitled to participate in such sale on the same terms and conditions.

Rights of holder of our preference shares

Pursuant to the shareholders agreement, the holder of our preference shares, Otsuka Pharmaceutical, was granted the following principal rights, all of which will be terminated upon the consummation of the Global Offering.

COMPANY HISTORY AND REORGANIZATION

Reserved matters

Certain reserved matters of our Company are required to be approved by Otsuka Pharmaceutical. These matters include amendments to the Memorandum or Articles of our Company, dissolution or winding up of our Company, change in the share capital of our Company, declaration or payment of dividends or other legal distributions, disposition of all or a substantial portion of the business or assets of our Company, acquisition of certain capital or fixed assets, certain capital or other expenditure, and entering into of certain contracts or arrangements.

Information right

Otsuka Pharmaceutical is entitled to inspect and make copies of all documents relating to our Company and our business and to discuss our Company's affairs and finances with our Directors. Otsuka Pharmaceutical is also entitled to receive financial statements and copies of all reports prepared for or at the request of our Directors.

Participation right

Prior to the allotment and issue of any new securities by our Company to any third party, Otsuka Pharmaceutical is entitled to subscribe for its pro rata share of such new securities.

Right of first refusal

Otsuka Pharmaceutical is entitled to purchase some or all of the ordinary shares proposed to be sold by any other holder of our ordinary shares.

Co-sale right

If any holder of our ordinary shares is selling its ordinary shares, subject to the foregoing right of first refusal, Otsuka Pharmaceutical is entitled to participate in such sale on the same terms and conditions.

Redemption right

Otsuka Pharmaceutical is entitled, at its option, to require our Company to redeem all its preference shares at a mutually agreed redemption price, by giving prior written notice to our Company.

Conversion right

Otsuka Pharmaceutical is entitled, at its option, to require our Company to convert all its preference shares into ordinary shares of our Company, by giving prior written notice to our Company. Such conversion, if made, shall be conducted in a manner so that after such conversion, the number of converted ordinary shares held by Otsuka Pharmaceutical will constitute 2% of the share capital of our Company on a fully-diluted basis.

Dividend right

When dividends are declared and payable to the ordinary shareholders of our Company, Otsuka Pharmaceutical is entitled to receive prioritized non-cumulative preferential cash dividends, pursuant to the following: (i) when the dividends declared and payable by our Company for a year are equal to or less than US\$994,800, Otsuka Pharmaceutical is entitled to dividends equal to 50% of such distribution; and (ii) when the dividends declared and payable by our Company for a year are greater than US\$994,800, Otsuka Pharmaceutical is entitled to dividends of (x) US\$497,400, plus (y) pro-rata dividends based on the number of ordinary shares

COMPANY HISTORY AND REORGANIZATION

into which the preference shares are convertible (immediately prior to such distribution) for the remaining dividends in excess of US\$994,800.

Liquidation preference

On a distribution of assets of our Company on a winding up or other return of capital (other than on a redemption or repurchase of shares), Otsuka Pharmaceutical is first entitled to an amount up to the aggregate purchase consideration paid for its preference shares and all arrears (if any) of the preference dividends and interest at the rate of 0.05% per day thereon, and then to participate in the distribution of any surplus of assets of our Company pro-rata with the holders of the ordinary shares based on the number of ordinary shares into which the preference shares are convertible (immediately prior to such distribution).

SHARE SPLIT

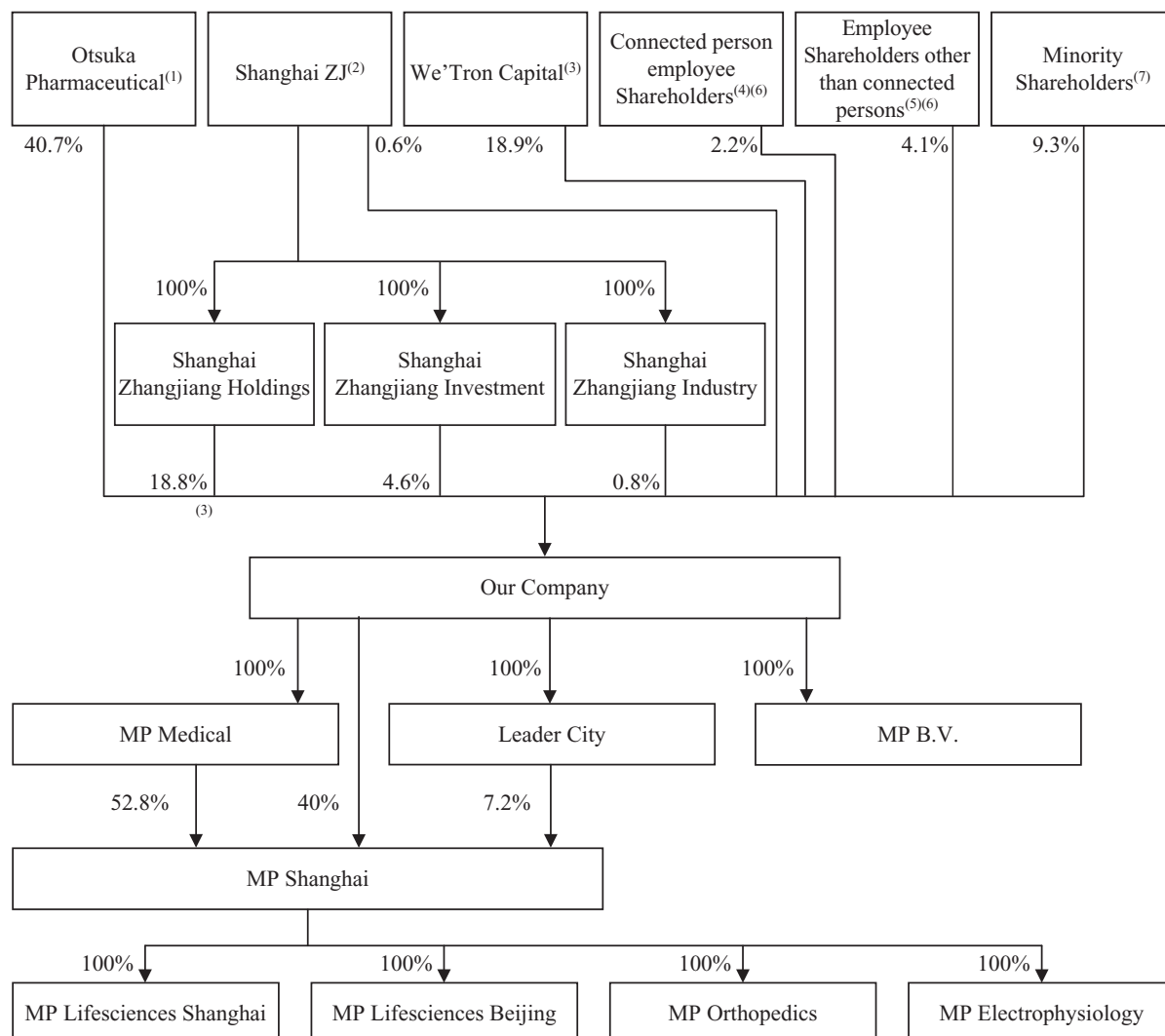
Pursuant to the shareholder resolutions passed on September 3, 2010, our Company conditionally adopted, among other things, a 10-for-1 share split of our share capital. See “Statutory and General Information — Changes in share capital of our Group” in Appendix VI to this prospectus. Unless otherwise indicated, shares, options and per Share data in this prospectus have been adjusted to reflect such 10-for-1 share split.

COMPANY HISTORY AND REORGANIZATION

CORPORATE STRUCTURE

Corporate structure prior to the Global Offering

The following diagram sets forth the corporate structure (on an as-converted basis) of our Group after the Reorganization and immediately before the Global Offering and a 10-for-1 share split, assuming no exercise of any option under the Pre-IPO Share Option Schemes.



Notes:

- (1) Otsuka Pharmaceutical is a wholly owned subsidiary of Otsuka Holdings. See “— Otsuka Pharmaceutical” below. Includes 1,229,817 preference shares (on an as-converted basis).
- (2) The ultimate shareholder of Shanghai ZJ is the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People’s Government. See “— Shanghai ZJ” below.
- (3) Dr. Zhaohua Chang, our founder, Director and chairman of our Company, owns 49% equity interest in, and thus controls, Shanghai We’Tron which in turn owns 94.19% equity interest in We’Tron Capital. See “— We’Tron Capital” below.

COMPANY HISTORY AND REORGANIZATION

- (4) “Connected person employee Shareholders” refer to the directors, former directors during the past 12 months, and chief executives of our Company and our subsidiaries. Set out below is the shareholding information of such connected person employee Shareholders as of the date of this prospectus:

Mr. Qiyi Luo, an executive Director of our Company, directly holds 1,091,955 Shares in our Company, which accounts for 0.9% of our share capital as of the date of this prospectus.

Mr. Yimin Xu, managing director of MP B.V., holds 605,226 Shares in our Company directly and indirectly through a special purpose vehicle, which accounts for 0.5% of our share capital as of the date of this prospectus;

Mr. Daozhi Liu, general manager of MP Orthopedics, directly holds 461,261 Shares in our Company, which accounts for 0.4% of our share capital as of the date of this prospectus;

Ms. Yan Zhang, executive director of MP Lifesciences Shanghai and an executive Director of our Company, indirectly holds 320,000 Shares in our Company through a special purpose vehicle, which accounts for 0.3% of our share capital as of the date of this prospectus; and

Mr. Xiangyuan Li, executive director of MP Lifesciences Beijing, directly holds 35,482 Shares in our Company, which accounts for 0.03% of our share capital as of the date of this prospectus.

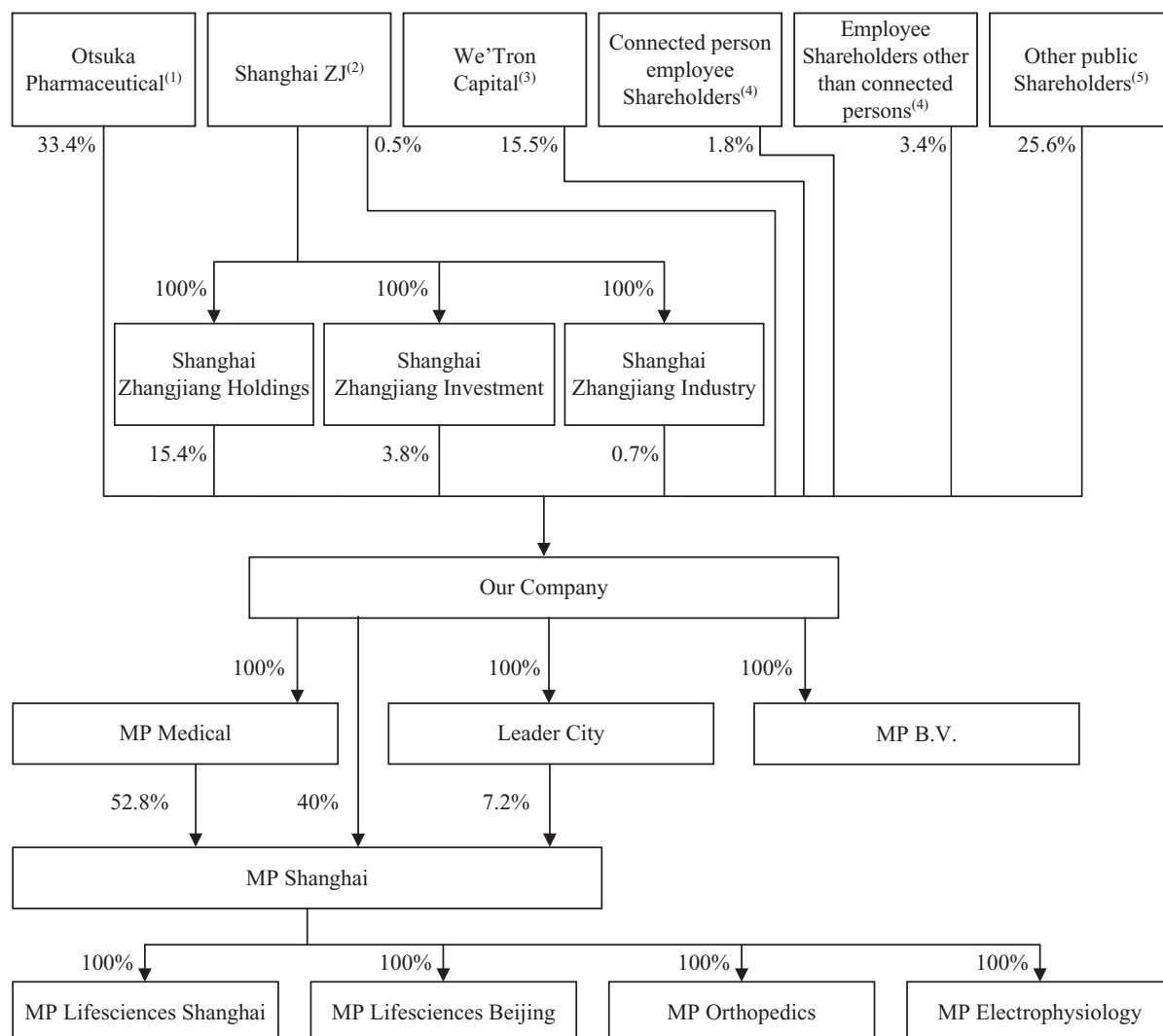
Dr. Zhaohua Chang is also a connected person employee shareholder who has been disclosed in footnote 3 and is therefore excluded under this category.

- (5) “Employee Shareholders other than connected persons” include employees and former employees, who are holding an aggregate of 4,705,258 Shares in our Company as of the date of this prospectus. None of the employees or former employees is, as of the date of this prospectus, interested in and expected to be interested in, more than 1% of the share capital of our Company after the completion of the Global Offering.
- (6) “Connected person employee Shareholders” and “Employee Shareholders other than connected persons” include our employees and former employees who became our Shareholders as a result of the exercise of their share options under the Pre-IPO Share Option Schemes or the purchase of Shares from current or former Shareholders. See “Statutory and General Information — Pre-IPO Share Option Schemes” in Appendix VI to this prospectus.
- (7) “Minority Shareholders,” including Gao Yang Investment Corporation, Essex Woodlands Health Ventures Fund VII, L.P., Qi Capital Corporation, and World Accord Limited, are interested in an aggregate of 10,732,835 Shares in our Company as of the date of this prospectus. Gao Yang Investment Corporation, as the largest minority Shareholder, is interested in less than 5% of the Shares in our Company. The minority Shareholders are independent of each other, and all of them are independent of our Group.

COMPANY HISTORY AND REORGANIZATION

Corporate structure following completion of the Global Offering

The following diagram sets forth the corporate structure of our Group after the Reorganization and immediately following completion of the Global Offering and a 10-for-1 share split, assuming the Over-allotment Option is not exercised and no options will be exercised pursuant to the Share Option Schemes.



Notes:

- (1) Otsuka Pharmaceutical is a wholly owned subsidiary of Otsuka Holdings. See “— Otsuka Pharmaceutical” below.
- (2) The ultimate shareholder of Shanghai ZJ is the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People’s Government. See “— Shanghai ZJ” below.
- (3) Dr. Zhaohua Chang, our founder, Director and chairman of our Company, owns 49% equity interest in, and thus controls, Shanghai We'Tron which in turn owns 94.19% equity interest in We'Tron Capital. See “— We'Tron Capital” below.
- (4) “Connected person employee Shareholders” and “Employee Shareholders other than connected persons” include our employees and former employees who became our Shareholders as a result of the exercise of their share options under the Pre-IPO Share Option Schemes or the purchase of Shares from current or former Shareholders. See “Statutory and General Information — Pre-IPO Share Option Schemes” in Appendix VI to this prospectus.
- (5) “Other public Shareholders” include the “Minority Shareholders” referred to in Note 7 in “— Corporate structure prior to the Global Offering” above, all of which are independent of our Group and of each other.

COMPANY HISTORY AND REORGANIZATION

SHAREHOLDERS

Otsuka Pharmaceutical

Otsuka Pharmaceutical is a corporation incorporated under the laws of Japan and is a wholly owned subsidiary of Otsuka Holdings, a private company incorporated under the laws of Japan. Otsuka Holdings is controlled by a number of Japanese financial institutions, the Otsuka Group Employee Shareholding Fund and several private holding companies and foundations, which held a combined stake of 34.6% in the company as of March 31, 2010. The remainder of Otsuka Holdings' shares is held by approximately 7,000 Japanese individuals.

The Otsuka Group comprises a diversified portfolio of healthcare businesses engaged in the development of scientific solutions ranging from pharmaceuticals to consumer products. Otsuka Pharmaceutical, established in 1964 as the pharmaceutical arm of the Otsuka Group, engages in the research, development, manufacturing and marketing of therapeutic drugs, functional foods and beverages and other healthcare-related products. Certain members of the Otsuka Group are listed companies in Japan and other countries.

Shanghai ZJ

The following shares are presented on an actual basis and do not reflect the 10-for-1 share split conditionally adopted by our Company on September 3, 2010.

Shanghai ZJ is a holding company incorporated under the laws of BVI and is beneficially owned by Shanghai ZJ Holdings Limited, a holding company incorporated under the laws of the Cayman Islands, and Shanghai Zhangjiang Science & Technology Investment (Hong Kong) Company Limited, a holding company incorporated under the laws of Hong Kong. The ultimate shareholder of Shanghai ZJ Holdings Limited is Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), a company established in China and whose shares are listed on the Shanghai Stock Exchange and majority owned by Shanghai Zhangjiang (Group) Co., Ltd. The principal business activities of Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. include the development and management of real estate projects in Shanghai Zhangjiang Hi-Tech Park, investment in high-technology industry and provision of professional innovative services. The ultimate shareholder of Shanghai Zhangjiang Science & Technology Investment (Hong Kong) Company Limited is Shanghai Zhangjiang (Group) Co., Ltd. The ultimate shareholder of Shanghai Zhangjiang (Group) Co., Ltd. is the State-owned Assets Supervision and Administration Commission of the Shanghai Pudong New Area People's Government which holds 100% of the shares of Shanghai Zhangjiang (Group) Co., Ltd.

Shanghai ZJ became one of our Shareholders (indirectly through Shanghai Zhangjiang Holdings, Shanghai Zhangjiang Investment and Shanghai Zhangjiang Industry) after it acquired the entire outstanding share capital of (i) SIIC MedTech which holds 21,588,362 ordinary shares of our Company from SIMST Medical Science and Technology Development Limited for a consideration of approximately US\$66.1 million, which was determined based on arm's length negotiation, in June 2009, (ii) Device Best which holds 5,339,857 ordinary shares of our Company from CMT ChinaValue Capital Partners, L.P. for a consideration of approximately US\$16.4 million, which was determined based on arm's length negotiation, in September 2009, and (iii) Info Trinity which holds 942,328 ordinary shares of our Company, from its individual shareholders for a consideration of approximately US\$2.9 million, which was determined based on arm's length negotiation, in September 2009. SIIC MedTech, Device Best and Info Trinity were renamed as Shanghai Zhangjiang Holdings, Shanghai Zhangjiang Investment and Shanghai Zhangjiang Industry in March 2010, respectively.

COMPANY HISTORY AND REORGANIZATION

We'Tron Capital

Dr. Zhaohua Chang, our founder and Director and chairman of our Company, owns 49% equity interest in, and thus controls, Shanghai We'Tron which in turn owns 94.19% equity interest in We'Tron Capital. The remaining equity interest of Shanghai We'Tron is owned as to 29.974%, 21% and 0.026% by three independent third parties, respectively, and these three independent third parties have no agreement in place to act in concert with respect to their equity interest in Shanghai We'Tron and do not collectively control Shanghai We'Tron. The remaining 5.81% equity interest of We'Tron Capital is owned by an independent third party.