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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[®], MACMIROR COMPLEX[®] AND MACMIROR[®] TO 31 DECEMBER 2019, AND THE GRANT OF THE RIGHTS TO MARKET, PROMOTE AND SELL A NEW PRODUCT CRIPAR[®]

China Pioneer Pharma Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that the Group, through its wholly-owned subsidiary Naqu Area Pioneer Pharma Co., Ltd, signed a license and distribution agreement (the “Agreement”) with one of its major suppliers Polichem S.A. of Switzerland (“Polichem”) on 19 December 2014. In view of the long-term business partnership between the two parties, Polichem extended the expiry date of the Group’s rights to market, promote and sell Macmiror Complex[®] and Macmiror[®] in the People’s Republic of China (“China”) and Polimod[®] in eight provinces in China from 30 December 2014 to 31 December 2019. In addition, Polichem granted the Group rights to market, promote and sell Crip[®] in China. The terms of the Agreement commence from the date of signing the Agreement and will last until 31 December 2019. The Agreement shall be further renewed for three years period after the expiration.

The signing of the Agreement with Polichem demonstrates the Group’s strategy in continuing to develop and optimise its product portfolio. The Group actively seeks prospective product candidates for marketing, promotion and sales from overseas pharmaceutical and medical device companies. Polimod[®], Macmiror Complex[®] and Macmiror[®] are three important products of the Group. After signing the Agreement, the Group is granted the rights to market, promote and sell these three products in the long run, which is expected to help the Group to further implement the sales and marketing program of the three products, and to generate sustainable revenue for the Group.

In addition, the Group is granted the rights to market, promote and sell Cripar® in China, and will add the product into the Group's product portfolio in China. With the aging trend of the Chinese population, there is an increasing outbreak of Parkinson's disease and syndrome of senile dementia and vascular dementia caused by nerve function degradation. Cripar®, an important product for the treatment of these diseases, has huge market potential. The Group will carry out the marketing and promotion program in respect of the product as soon as possible, and actively increase the sales of the product, which serves to further enhance the Group's status as one of the largest comprehensive marketing, promotion and channel management service providers dedicated to imported pharmaceutical products and medical devices in China.

INFORMATION ON THE PRODUCTS

Polimod® (pidotimod)

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 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 ("MENET"), Polimod® was the second best-selling pidotimod product in China in 2013.

Macmiror Complex® (nifuratel and nystatin vaginal suppositories) and Macmiror® (nifuratel tablets)

Macmiror Complex® is a fixed combination of nifuratel and nystatin vaginal suppositories with intense and efficacious trichomonocidal, antibacterial and mycostatic action, making it effective in the treatment of vaginitis of mixed aetiology. Macmiror Complex® is the only suppository formulation among all of nifuratel and nystatin products. Macmiror® is nifuratel in oral form. Nifuratel, the active ingredient of Macmiror®, is a chemotherapeutic agent (furanederivative) with strong trichomonocidal activity and has a broad spectrum of antibacterial action for treatment. Macmiror Complex® and Macmiror® are patented products from Polichem. In 2011, the Group was authorised to market, promote and sell Macmiror Complex® and Macmiror® in China. According to the Southern Medicine Economic Research Institute and MENET, Macmiror Complex® and Macmiror® were the second best-selling nifuratel products in China in 2013.

Cripar® (Dihydro- α -Ergocryptine Mesylate Tablet)

Cripar® (generic name being Dihydro- α -Ergocryptine Mesylate Tablet) is a dopamine receptor agonist product. It acts by activating the central nervous system and dopamine receptors. It is indicated for the treatment of Parkinson's disease, headache, migraine, hyperprolactinemia, and for improving the syndrome of senile dementia and vascular dementia caused by nerve function degradation. Cripar® is a proprietary drug from Polichem. According to the Southern Medicine Economic Research Institute and MENET, China's market for Dihydro- α -Ergocryptine Mesylate Tablet grew at a CAGR of 40.35% from 2010 to 2013. Until now, Cripar® is the only Dihydro- α -Ergocryptine Mesylate Tablet product in China.

INFORMATION ON POLICHEM

Polichem, an independent third party of the Company, 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.

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 portfolio includes ophthalmology, pain management, cardiovascular, respiratory, gastroenterology, immunology and other therapeutic areas and a range of medical devices covering four medical specialties, including ophthalmology, odontology and wound care, etc. As of 30 June 2014, the Group sold products through its nationwide marketing, promotion and channel management services networks to over 26,000 hospitals and other medical institutions and over 95,000 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, 19 December 2014

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