THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Medical System Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CHINA MEDICAL SYSTEM HOLDINGS LIMITED

康哲藥業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 867)

Major Transaction

Exclusive License Agreement with AstraZeneca in respect of Plendil

A letter from the Board is set out from pages 1 to 6 of this circular.

**For identification purpose only*

25 April 2016

CONTENTS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

"AstraZeneca"	AstraZeneca plc, a public company incorporated in England and Wales with limited liability, the shares of which are listed on the London Stock Exchange, New York Stock Exchange and Stockholm Stock Exchange
"AstraZeneca AB"	AstraZeneca AB, a private company incorporated in Sweden with limited liability and a wholly-owned subsidiary of AstraZeneca
"AstraZeneca Group"	AstraZeneca and its subsidiaries
"Board"	the board of Directors
"Business Day(s)"	a day other than a Saturday or Sunday or a day on which banking institutions in Stockholm, Hong Kong and Shanghai, PRC are permitted or required to be closed
"CHF"	Swiss Franc, the lawful currency of the Swiss Confederation
"Commercialisation"	any and all activities directed to the preparation for sale of, offering for sale of and sale of the Licensed Products, including activities related to marketing, promoting, distributing and importing such Licensed Products and interacting with any applicable regulatory authorities in the PRC regarding any of the foregoing. When used as a verb, "to Commercialise" and "Commercialising" mean to engage in Commercialisation
"Company"	China Medical System Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning given to it in the Listing Rules
"Directors"	the directors of the Company
"Exclusive License Agreement"	the license agreement dated 26 February 2016 (London time) entered into between the Company and AstraZeneca AB in relation to the Licensed Products
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Latest Practicable Date"	21 April 2016

"Licensed Products"	Plendil in the dosage forms of 2.5mg/ tablet and 5mg/ tablet, including any new dosage form, specification or formulation of Plendil developed by AstraZeneca AB which is approved by the relevant regulatory authority for Commercialization in the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"mg"	milligram, a metric unit of mass equals to one thousandth of a gram
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"PRC" or "China"	the People's Republic of China and for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of USD0.005 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States Dollar, the lawful currency of the United States of America
"VAT"	value added tax
"%"	Per cent

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the percentage equivalents may not be an arithmetic sum of such figures.

Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.

CHINA MEDICAL SYSTEM HOLDINGS LIMITED
康哲藥業控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 867)

Executive Directors:
Mr. Lam Kong (Chairman)
Mr. Chen Hongbing
Ms. Chen Yanling
Ms. Sa Manlin

Independent Non-executive Directors:
Mr. Cheung Kam Shing, Terry
Mr. Wu Chi Keung
Mr. Huang Ming

Registered Office:
Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal Office in Hong Kong:
Unit 2106, 21/F
Island Place Tower
510 King's Road
North Point, Hong Kong

25 April 2016

To the Shareholders
Dear Sir or Madam,

Major Transaction
Exclusive License Agreement with AstraZeneca
in respect of Plendil

I. INTRODUCTION

Reference is made to the Company's announcement dated 29 February 2016, in which the Company announced that on 26 February 2016 (London time), the Company entered into the Exclusive License Agreement with AstraZeneca AB, pursuant to which AstraZeneca AB grants an exclusive license to the Company for the Commercialisation of the Licensed Products in the PRC, and in consideration of which, the Company has agreed to pay a total license fee of USD 310 million to AstraZeneca AB.

The purpose of this circular is to provide you with further information in relation to the Exclusive License Agreement.

**For identification purpose only*

II. THE EXCLUSIVE LICENSE AGREEMENT

The principal terms of the Exclusive License Agreement are summarised as follows:

Date

26 February 2016 (London time)

Parties

Licensor:	AstraZeneca AB
Licensee:	the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, AstraZeneca AB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Term

An initial term commencing on 26 February 2016 and continue in force and effect until 31 December 2036 occurs. Upon expiration of the initial term and subject to the terms of the Exclusive License Agreement, the Exclusive License Agreement shall be automatically renewed for another five years.

Licensed Products

Under the Exclusive License Agreement, the Company has an exclusive right to commercialise the Licensed Products in the PRC. AstraZeneca retains the full rights to the Licensed Products outside China.

The Licensed Product, Plendil (Felodipine Sustained Release Tablet), is an original product from the AstraZeneca Group for hypertension and stable angina pectoris. It has been marketed in China for several years and is a NRDL-B (National Reimbursement Drug List-B class) product. According to the data of AstraZeneca, sales of the product in the Chinese market were around RMB 1.2 billion (not including VAT) in 2015. Felodipine is a commonly used calcium channel blocker to treat hypertension, this class of medicine is recommended by the Chinese Guidelines for the Management of Hypertension. The product is the sustained release formulation of felodipine, which is administered once daily and can smoothly control the blood pressure with good effect and low side effect rate. According to the data of Chinese NCD management website (www.ncd.org.cn), there are over 300 million hypertensive patients in China with 10 million new cases each year. Besides, anti-hypertensives are required for a long time even for a life time use. With further popularity of prevention and treatment of hypertension in China (from cities to counties), the product will play an increasing role in the anti-hypertensive market.

In addition to the Exclusive License Agreement, AstraZeneca AB and the Group have entered into a series of agreements pursuant to which AstraZeneca AB and its affiliates have agreed to supply the Licensed Products to the Group.

License fee

The Company has agreed to pay a total license fee of USD 310 million to AstraZeneca AB according to the following schedule:

Date	Amount of license fee
No later than 29 March 2016	USD 155 million
On the first Business Day following 26 February 2017	USD 155 million

The amount of the license fee was determined after arms' length negotiations between the Company and AstraZeneca AB with reference to various factors, including (i) the historical sales of the Licensed Products in the PRC as provided by the AstraZeneca Group; (ii) the market due diligence carried out by the Company in relation to the sales of the Licensed Products in the PRC; (iii) the length of the term of the Exclusive License Agreement; (iv) the exclusive nature of the license granted under the Exclusive License Agreement; (v) the market reputation and brand recognition of the Licensed Products in the PRC; (vi) the expected future prospects of the development of the Licensed Products in the PRC; and (vii) the factors set out in more details in the paragraph headed "Reasons for and Benefits of the Entering into the Exclusive License Agreement".

In considering the expected future prospects of the development of the Licensed Products, the Company believes that sales of the Licensed Products will increase under the promotion and marketing efforts of the Group. The Group has an existing profile of products that are applicative in the cardiovascular and cerebral vascular fields comprising Deanxit, XinHuoSu and NuoDiKang (which recorded sales of RMB 904.6 million, RMB 429.1 million and RMB 82.0 million, respectively for the year ended 31 December 2015). As at 31 December 2015, the distribution network of the Group in relation to Deanxit, XinHuoSu and NuoDiKang covered approximately 13,000, 1,800 and 2,200 hospitals in the PRC, respectively. Such extensive network would provide a ready-made and well-established platform for the Group to promote and sell the Licensed Products with minimum lead time. Further, the Group would be able to leverage on its existing sales team dedicated to the Group's products that are applicative in the cardiovascular and cerebral vascular fields, which currently comprises approximately 1,000 members, to promote and sell the Licensed Products. Such sales team possess relevant background knowledge and experience in promotion and sales in the cardiovascular and cerebral vascular fields. The Group intends to further expand its sales team to allow the Group to penetrate its sales of cardiovascular and cerebral vascular products including the Licensed Products into lower-tier cities in the PRC, which represent the untapped markets for the Licensed Products.

The Company is required to meet the following sales targets:

(a) an annual sales volume of the Licensed Products in each of the three calendar years from 2016 to 2018 based on the sales volume of the Licensed Products in the PRC achieved in 2015 by the AstraZeneca Group ("**2015 Volume**") less a concession amount as agreed between the parties ("**Annual Sales Target**"); and

(b) an overall aggregate sales volume of the Licensed Products for such three calendar years based on three times the 2015 Volume plus an increment as agreed between the parties ("**3-year Sales Target**").

The purpose of the two-tier sales targets is to reflect the parties' belief that sales of the Licensed Products will improve in the long run given the synergies expected to generate from the exclusive license arrangement under the Exclusive License Agreement yet at the same time the Group is provided with concession in each year during the 3-year Sales Target period to allow a reasonable ramp up period for the Group and to take into account potential unforeseen market fluctuations so that the Group has a degree of flexibility in achieving the long-term sales target.

If the Group fails to meet the Annual Sales Target or the 3-year Sales Target, AstraZeneca AB has the right to terminate the Exclusive License Agreement and in such an event AstraZeneca AB has the right to retain the entire amount of the license fee. From 2019 and onwards, the Group is not subject to any sales targets under the Exclusive License Agreement.

III. INFORMATION ON THE PARTIES

Information on the Group

The Company is a pharmaceutical products service provider based in China, focusing on marketing, promotion and sales of prescription drugs to all therapeutic departments in hospitals. The Group was established in 1995, and the Company was listed on Alternative Investment Market in London (ticker: CMSH) in June 2007. The Company was listed on the Main Board of the Stock Exchange on 28 September 2010 and was delisted from Alternative Investment Market on the same day. The Group has two business models commonly employed by the pharmaceutical industry in China: Direct Academic Orientated Promotion Model and Agency Promotion Model, and with two corresponding and distinct third-party promotion networks: the Direct Network and the Agency Promotion Network, both of which hold leading positions in the Chinese market. As of 30 June 2015, the Group's Direct Network had covered more than 18,000 hospitals in China, while the Group's Agency Network had covered around 6,000 hospitals across the country.

Information on the AstraZeneca Group

AstraZeneca Group is a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of diseases in three main therapy areas – respiratory, inflammation, autoimmune disease (RIA), cardiovascular and metabolic disease (CVMD) and oncology – as well as ininfection and neuroscience. AstraZeneca Group operates in over 100 countries and its innovative medicines are used by millions of patients worldwide. For more information please visit: www.astrazeneca.com.

IV. REASONS FOR AND BENEFITS OF THE ENTERING INTO THE EXCLUSIVE LICENSE AGREEMENT

The Board believes that the exclusive introduction of the Licensed Products will enrich the Group's existing product portfolio, strengthen the Group's product line of cardiovascular and cerebral vascular; meanwhile, on one hand the Licensed Products can effectively connect with the resources of the Group's existing product line of cardiovascular and cerebral vascular, on the other hand, the current large market size of the Licensed Products can also strengthen the Group's capability in the field of cardiovascular and cerebral vascular. After the introduction of the Licensed Products, the Group's current distribution network will be expanded and penetrate into lower-level of markets, the structure will be continually adjusted and improved, which will train more managing staff, with the further improvement of the Licensed Products sales, the scale effect of the Group's distribution network will be better developed, which will make the Group to conduct more delicacy management with better effective cost, as well as to further perform on a larger platform with continued growth of its business and to generate sustainable revenue. In addition, as the second time of co-operating with a leading multi-national pharmaceutical company, entering into this long-term Exclusive License Agreement with AstraZeneca Group will also be a promotion to the Group's brand and reputation, as well as will strengthen its strategic co-operation with pharmaceutical companies of this kind in the future which is in line with the Group's long term development plan and strategic development.

After due and careful consideration of the factors above, the Board considers that the Exclusive License Agreement has been entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. FINANCIAL EFFECTS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The completion of the Transaction would result in an immediate cash outflow of USD155.0 million from the Group, and an increase of USD155.0 million in liability of the Group, meanwhile an intangible asset of USD310.0 million would be recognised by the Group. In addition, the execution of the Transaction is expected to increase the earnings of the Group.

VI. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the license fee payable by the Company to AstraZeneca AB under the Exclusive License Agreement exceeds 25% but is less than 100%, the payment of the license fee under the Exclusive License Agreement constitutes a major transaction of the Company.

VII. SHAREHOLDERS' APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Exclusive License Agreement which is different from the interests of the other Shareholders and therefore none of them is required to abstain from voting if a general meeting was to be convened to approve the payment of the license fee under the Exclusive License Agreement.

Mr. Lam Kong (through his controlled corporations), Mr. Chen Hongbing (himself and through his controlled corporation) and Ms. Chen Yanling, being a closely allied group of Shareholders and together hold 1,255,486,637 Shares, representing an aggregate of approximately 50.48% of the issued share capital of the Company. The roles of Mr. Lam Kong, Mr. Chen Hongbing and Ms. Chen Yanling with the Group and the voting rights controlled by each of them are set out below:

Name	Role	Number of shares controlled	Percentage of the issued share capital as at the date of this letter
Mr. Lam Kong	chairman, chief executive officer and president of the Group, executive director of the Company	1,153,202,162	46.36%
Mr. Chen Hongbing	chief operating officer and vice-president of the Group, executive director of the Company	95,038,225	3.82%
Ms. Chen Yanling	chief financial officer and vice-president of the Group, executive director of the Company	7,246,250	0.29%
Total		**1,255,486,637**	**50.48%**

Each of Mr. Lam Kong, Mr. Chen Hongbing and Ms. Chen Yanling has given his/her written consent for the payment of the license fee by the Company under the Exclusive License Agreement. As such, the Company is not required to convene a special general meeting to consider and approve the payment of the license fee under the Exclusive License Agreement as permitted under Rule 14.44 of the Listing Rules.

VIII. RECOMMENDATION

Although no general meeting will be convened for approving the payment of the license fee under the Exclusive License Agreement, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting was convened for approving the payment of the license fee under the Exclusive License Agreement, the Directors would have recommended the Shareholders to vote in favour of the payment of the license fee under the Exclusive License Agreement.

IX. FURTHER INFORMATION

Your attention is drawn to other parts of this circular, which contain further information on the Group and other information required to be disclosed under the Listing Rules.

Yours faithfully
By order of the Board of
China Medical System Holdings Limited
Lam Kong
Chairman

I. INDEBTEDNESS STATEMENT

At the close of business on 29 February 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding bank borrowings of RMB 1,047.2 million. Of such borrowings, RMB 25.0 million of bank borrowing was secured by property, plant and equipment, and all the remaining bank borrowing was unguaranteed and unsecured.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 29 February 2016 any loan capital or debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

II. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that after taking into account the Group's financial resources including the internal generated funds, available credit facilities and the successful renewal of revolving facilities and cash on hand, in the absence of unforeseen circumstances, the Group will have sufficient working capital to satisfy its requirements, that is for at least 12 months from the date of publication of this circular.

III. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the year ended 31 December 2015, the Group recorded turnover of RMB 3,553.4 million (2014: RMB 2,945.1 million), representing an increase of 20.7% over the same period of the previous year. Profit reached RMB 996.5 million (2014: RMB 1,043.0 million), down 4.5% over the same period of the previous year, which would be up 20.4% compared with RMB 827.9 million of profit for last year after excluding gain of RMB 215.1 million arising from an investment when it became an associate from available for sale investment. Basic earnings per share was RMB 0.4037 (2014: RMB 0.4330), down 6.8% over the same period the previous year, which would be up 17.4% compared with RMB 0.3440 of basic earnings per share for last year after excluding gain arising from an investment when it became an associate from available for sale investment.

Although the healthcare industry in China is facing many challenges and undergoing reform in the short-term, the competition pattern will be further optimized as the entry threshold is raised. In the medium and long term, the prospects of healthcare industry remain bright, with consistently expanding market scale. The Group will maintain its leading position in the market in a harsh environment to deliver sustainable growth by sticking to its two core development strategies: continuous product introduction and network expansion.

IV. NO MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2015 (being the date to which the latest published audited financial statements of the Group were made up).

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. INTERESTS OF DIRECTORS

As of the Latest Practicable Date, the interests and short positions of the Directors, including the chief executive of the Company, in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code, were as set out below.

Long positions in the Shares and underlying Shares

Name of Director	Nature of interest	Number of Shares / underlying Shares	Approximate % of the issued share capital of the Company
Lam Kong	Interest in controlled corporation	1,142,719,000 (note 1)	45.94%
	Interest in controlled corporation	2,406,500 (note 2)	0.10%
	Interest in controlled corporation	10,483,162 (note 3)	0.42%
Chen Hongbing	Beneficial owner	20,038,225	0.81%
	Interest in controlled corporation	75,000,000 (note 4)	3.02%
	Beneficiary of a trust	10,483,162 (note 5)	0.42%
Chen Yanling	Beneficial owner	7,246,250	0.29%
	Beneficiary of a trust	10,483,162 (note 5)	0.42%
Sa Manlin	Beneficial owner	6,074,237	0.24%
	Family interest	750,000 (note 6)	0.03%
	Beneficiary of a trust	10,483,162 (note 5)	0.42%

Notes:

(1) These Shares are held by Mr. Lam Kong through Treasure Sea Limited. Mr. Lam is the sole member and the sole director of Treasure Sea Limited.

(2) These interests represent warrants held by Treasure Sea Limited.

(3) These Shares are held by Fully Profit Management (PTC) Limited, a company wholly owned by Mr. Lam Kong. Fully Profit Management (PTC) Limited is the trustee of the Key Employee Benefit Trust, (a discretionary trust established by the Company on 31 July 2009 for the Key Employee Benefits Scheme). For further details, please refer to note (5) below.

(4) These Shares are held by Viewell Limited, a company wholly owned by Mr. Chen Hongbing.

(5) These Shares are held by Fully Profit Management (PTC) Limited acting as the trustee of the Key Employee Benefit Trust. The discretionary objects of the discretionary trust include Mr. Chen Hongbing, Ms. Chen Yanling and Ms. Sa Manlin and they are deemed to be interested in these 10,483,162 Shares. The references to these 10,483,162 Shares in respect of which Mr. Lam Kong is deemed to be interested in (as disclosed above) relate to the same block of Shares.

(6) These Shares are held by Mr. Zhang Ziqiang, the spouse of Ms. Sa Manlin, in respect of which Ms. Sa Manlin is deemed to be interested in.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors, including the chief executive of the Company, had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code.

III. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

IV. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As of the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interest in business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

V. DIRECTOR SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors has or is proposed to have a service contract with any member of the Group other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation.

VI. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND OTHER ARRANGEMENTS

As of the Latest Practicable Date:

(a) none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up; and

(b) none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

VII. LITIGATION

As of the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

VIII. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

(a) the share transfer agreement dated 29 October 2014 entered into between Shenzhen Kangzhe Pharmaceutical Technology Development Co., Ltd (深圳市康哲醫藥科技開發有限公司) (a wholly-owned subsidiary of the Company) and Beijing New Phoenix Properties Development Limited (北京新鳳凰城房地產開發有限公司) in relation to the acquisition of 20,000,000 shares in Tibet Rhodiola Pharmaceutical Holdings Co., Ltd. (西藏諾迪康藥業股份有限公司) for a total consideration of RMB 600,000,000;

(b) the share transfer agreement dated 29 October 2014 entered into among Shenzhen Kangzhe Pharmaceutical Technology Development Co., Ltd (深圳市康哲醫藥科技開發有限公司) (a wholly-owned subsidiary of the Company), Tibet Tongying Investment Limited (西藏通盈投資有限公司) and Tianjin Tongsheng Investment Limited (天津通盛投資有限公司) in relation to the acquisition of a total of 6,162,719 shares in Tibet Rhodiola Pharmaceutical Holdings Co., Ltd. (西藏諾迪康藥業股份有限公司) for a total consideration of RMB 184,881,570;

(c) an asset purchase agreement dated 25 March 2015 (Swiss local time) entered into between CMS Pharma Co. Ltd (an indirect wholly-owned subsidiary of the Company) and DKSH International AG in relation to the acquisition of Combizym and Hirudoid for a total consideration of CHF76.6million;

(d) a placing and subscription agreement dated 31 March 2015 entered into between Treasure Sea Limited, the Company and Morgan Stanley & Co. International plc in relation to the placing of 145,000,000 shares at the total placing price of HK$1,719,700,000 and subscription of 72,500,000 Shares at the total subscription price of HK$859,850,000;

(e) an asset purchase agreement dated 26 February 2016 entered into among Everest Future Limited, the Company, Everest Fortune Limited (a wholly-owned subsidiary of the Company) and AstraZeneca AB in relation to the acquisition of the Imdur assets for a total consideration of USD 190 million; and

(f) the Exclusive License Agreement.

IX. MISCELLANEOUS

(a) The registered office of the Company is at Maples Corporate Services Limited, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong is at Unit 2106, 21/F, Island Place Tower, 510 King's Road, North Point, Hong Kong.

(c) The company secretary of the Company is Ms. Zhang Lingyan.

(d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The English text of this circular shall prevail over its Chinese text in case of inconsistency.

X. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(c) this circular.