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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)

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF 100% INTEREST IN A WHOLLY-OWNED SUBSIDIARY

SUPPLEMENTAL AGREEMENT AND FURTHER DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of China Pioneer Pharma Holdings Limited (the “**Company**”) dated 17 October 2016 (the “**Announcement**”), and the delay in despatch announcements dated 7 and 21 November 2016 respectively in relation to the proposed disposal of the Target Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

On 2 December 2016 (after trading hours), the Seller and Mr. Li entered into a supplemental agreement (the “**Supplemental Agreement**”) amending and supplementing certain terms of the Agreement. The principal amendments agreed under the Supplemental Agreement are summarised below:

Payment term and share charge

The Consideration for the Sale Share is RMB158,358,539 and is payable by Mr. Li to the Seller according to the following timetable:

<i>Time for payment of Consideration</i>	<i>Amount</i>
1. Completion Date	RMB1,350,000
2. No later than the date falling on the first anniversary of the Completion Date	not less than 25% of the Consideration (i.e. RMB39,589,634.75) (including any prior payments)
3. No later than the date falling on the third anniversary of the Completion Date	not less than 60% of the Consideration (i.e. RMB95,015,123.40) (including any prior payments)
4. No later than the date falling on the fifth anniversary of the Completion Date	the remaining amount of the Consideration

Mr. Li is required pay to the Seller interest on the amount of the Consideration outstanding from time to time from the Completion Date until the date on which the Consideration is paid in full at the rate of 4.75% per annum. Such interest is payable annually and any interest amount overdue will accrue interest at the same interest rate stated above.

Subject to Completion taking place, Mr. Li will enter into a share charge in respect of the Sale Share in favour of the Seller as security for his payment obligations under the Agreement (as amended and supplemented by the Supplemental Agreement) (the “**Amended Agreement**”).

Save for the amendments contained in the Supplemental Agreement as stated above, all other terms and conditions of the Agreement remain in full force and effect. The Directors (excluding the independent non-executive Directors who will give their view after receiving the advice from the IFA) considers that the terms of the Amended Agreement are in the interests of the Company and the Shareholders as a whole.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As disclosed in the announcement of the Company dated 21 November 2016, a circular containing, among other things, (i) details of the Agreement and the Disposal; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Disposal and the Agreement; (iii) a letter of advice from the IFA to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 5 December 2016.

As additional time is required for the Company to prepare and finalise the contents of the Circular, the despatch of the Circular will be further postponed to a date falling on or before 6 December 2016.

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

Hong Kong, 2 December 2016

As at the date of this announcement, the Directors 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.