

**CHINA PIONEER PHARMA HOLDINGS LTD:
A MOGUL IS BORN !
FROM A TEACHER TO A MULTI-BILLIONAIRE**

From being a teacher of the English language between July 1981 and August 1984 and, then, having what must have been a junior position at the Hainan Branch of the Japanese giant trading conglomerate, Sumitomo Corporation (), Mr Li Xin Zhou (), today, heads China Pioneer Pharma Holdings Ltd () (Code: 1345, Main Board, The Stock Exchange of Hongkong Ltd).

He is the Controlling Shareholder, beneficially owning 75 percent of the Issued and Fully Paid-Up Share Capital of the Company.

China Pioneer Pharma is Offering 25 percent of the Issued and Fully Paid-Up Share Capital in this **Initial Public Offering (IPO)**.

This Company pitched its story in the Global Offering Prospectus, dated October 24, 2013, with an Offering of 333,334,000, one-cent (US) Shares at the Indicative Offer Price Per Share, ranging from \$HK4.10 to \$HK5.00.

If all goes well, the shares of this Company are due to start trading, next Tuesday.

The Beginnings of an Empire

With the incorporation of Pioneer Pharma Shareholding Company Ltd () in the People's Republic of China (PRC), being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC, on July 31, 1996, the foundations of China Pioneer Pharma were firmly planted.

The business of Pioneer Pharma Shareholding was '*providing comprehensive marketing, promotion and channel management service ... for pharmaceutical products and medical devices*' in the PRC, before the reorganisation of China Pioneer Pharma.

China Pioneer Pharma has, in the past 17 years, built up an organisation, based on the model of importing pharmaceutical products and medical devices into the Middle Kingdom.

It has grown to such a size that it feels that it can make the claim of being the second largest marketing and promotion service provider for pharmaceutical products in the PRC, based on the wholesale price of the products sold.

In 2012, total sales of this Company's imported pharmaceuticals represented about 9.40 percent of the total PRC market for such products.

An '**OVERVIEW**' of the business of China Pioneer Pharma is given at Page 116 of the Global Offering Prospectus as follows:

'We are one of the largest comprehensive marketing, promotion and channel management service providers dedicated to imported pharmaceutical products and medical devices in China. We have a

17-year operating history, and, according to the Frost & Sullivan Report, we were the second largest marketing and promotion service provider for pharmaceutical products in China based on wholesale value of products sold, accounting for 9.4% of the market in 2012. As is customary for pharmaceutical marketing, promotion and channel management service providers in China, we purchase our products from our suppliers and onward sell such products primarily to our distributors to generate revenue. Under this business model, the level of services we provide in respect of our suppliers' products is reflected in the prices we are able to obtain through our onward sale of their products primarily to our distributors as compared to our suppliers' pricing of their products, rather than through the direct payment of marketing, promotion or service fees by our suppliers ...

'We provide comprehensive marketing, promotion and channel management services to small-and medium-sized overseas suppliers that lack the critical mass or ability to independently market their products in the rapidly growing Chinese healthcare market. We provide co-promotion and channel management services to Alcon, the world's largest eye care products company ...

'Our marketing and promotion services include formulating marketing and promotion strategies, educating individual physicians on the clinical uses and benefits of our products, organising academic conferences, seminars, symposiums and other promotional activities, and appointing and supervising third-party promotion partners (who are responsible for most of the day-to-day marketing and promotional activities). When required by the suppliers, we also manage the product registration process that is necessary to enable the sale of imported pharmaceutical products and medical devices in China.'

Page 158 of the Prospectus states that the Company has, in respect of the six months, ended June 30, 2013, about 556 distributors of the products, imported by China Pioneer Pharma.

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