普頓資本有限公司
PROTON CAPITAL LIMITED

26 February 2015

To: The Independent Board Committee and the Independent Shareholders of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Dear Sirs,

(1) PROPOSED ISSUE AND PLACING OF NEW A SHARES; (2) CONNECTED TRANSACTION – PROPOSED SUBSCRIPTION OF NEW A SHARES BY GPHL; AND (3) WHITEWASH WAIVER

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Placing (including the GPHL Subscription and the Concert Party Subscription) and the Whitewash Waiver, details of which are set out in the letter from the Board (the "**Board's Letter**") contained in the circular dated 26 February 2015 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 12 January 2015, the Board approved the Proposed Placing, pursuant to which and subject to the Share Adjustment, the Company shall issue new A Shares for subscription to 5 subscribers in total, being GPHL, GZ SOA Development, GZ Chengfa, Shanghai Yunfeng (on behalf of the Fund) and the Asset Manager (as trustee of the Employee Stock Trust). On even date, the Subscribers have entered into the Subscription Agreements respectively with the Company to subscribe for a total of up to 419,463,087 new A Shares at the Subscription Price of RMB23.84 per new A Share (subject to the Price Adjustment), representing total gross proceeds of approximately RMB10,000 million.

According to the Board's Letter, GPHL is a controlling shareholder of the Company holding approximately 45.24% of the total issued share capital of the Company as at the Latest Practicable Date and, therefore, is a connected person of the Company. Accordingly, the entering into the GPHL Subscription Agreement by the Company constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

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GPHL, GZ SOA Development and GZ Chengfa would be treated as parties acting in concert by virtue of falling into the class (1) presumption of "acting in concert" as defined in the Hong Kong Takeovers Code. Assuming no further Shares will be issued by the Company prior to the completion of the Proposed Placing, upon completion of the Proposed Placing, the aggregate interests of the Concert Group (i.e. GPHL, GZ SOA Development and GZ Chengfa) in the Company will increase (i) from approximately 45.24% to approximately 56.20% of the total issued share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking) or (ii) from approximately 45.24% to approximately 57.44% of the total issued share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking).

The Concert Group will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Hong Kong Takeovers Code as a result of the Proposed Placing and the Concert Group Subscription.

The Concert Group has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Hong Kong Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by the Independent Shareholders at the EGM, the Independent A Share Shareholders at the A Share Class Meeting and the Independent H Share Shareholders at the H Share Class Meeting respectively by way of poll. All members of the Concert Group and their respective parties acting in concert and associates and any Shareholders who are interested in or involved in the Proposed Placing, the GPHL Subscription, the Concert Group Subscription and the Whitewash Waiver will abstain from voting at the EGM, A Share Class Meeting and H Share Class Meeting for the relevant resolutions. It is a condition precedent to completion of the Proposed Placing, including the Concert Group Subscription that the Whitewash Waiver is granted by the Executive.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Lung Tak Patrick, Mr. Qiu Hongzhong, Mr. Fang Shuting and Mr. Chu Xiaoping, has been formed to advise the Independent Shareholders on (i) the Proposed Placing and the GPHL Subscription in accordance with the Hong Kong Listing Rules; and (ii) the Proposed Placing (including the Concert Group Subscription) and the Whitewash Waiver in accordance with the Hong Kong Takeovers Code.

We, Proton Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in the aforementioned respect. We are not connected with the directors, chief executive and substantial shareholders of the Company, the Group, the Subscribers or their respective associates and do not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date, and are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. During the last two years, there was no previous engagement between us and the Group and the Subscribers.

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BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company. We have assumed that all information and representations that have been provided by the Directors and the management of the Company, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the despatch of the Circular, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules and Rule 2 of the Hong Kong Takeovers Code.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Subscribers or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Placing and the Whitewash Waiver. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any A Shares and/or H Shares or any other securities of the Company.

Lastly, where information (other than statements of opinion or conclusions) in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Proton Capital is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

(A) The Proposed Placing

In arriving at our opinion in respect of the Proposed Placing, we have taken into consideration the following principal factors and reasons:

(1) Background of the Proposed Placing

Information on the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares and A Shares are listed on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively. The Group is principally engaged in (a) research and development, manufacture and sales of Chinese and western patent medicine, chemical active pharmaceutical ingredients (API), natural medicine, biological medicine and chemical API intermediates; (b) wholesale, retail, import and export of western and Chinese pharmaceutical products and medical apparatus; (c) research and development, production and sales of great health products; and (d) investment in healthcare industry such as medical treatment, health management, health nursing, etc..

Set out below are the information of the Group's unaudited financial information for the nine months ended 30 September 2014 and the six months ended 30 June 2014; and the Group's audited financial information for the two years ended 31 December 2013 as extracted from its third quarterly report for the nine months ended 30 September 2014 (the "**2014 Third Quarterly Report**"), interim report for the six months ended 30 June 2014 and annual report for the year ended 31 December 2013 (the "**2013 Annual Report**"), respectively:

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	For the nine months ended 30 September 2014	For the six months ended 30 June 2014	For the year ended 31 December		% change from 2012 to 2013
			2013	2012	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	%
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	
Operating revenue					
– Manufacturing	Not been disclosed	7,647,729	13,888,168	8,677,118	60%
– Trading	Not been disclosed	2,353,053	3,686,350	3,351,341	10%
– Unallocated	Not been disclosed	19,508	33,676	34,183	-1%
Total	14,635,342	10,020,290	17,608,193	12,062,642	46%
Net profit	873,652	697,653	980,045	729,040	34%
Total assets	14,249,339	13,799,090	12,249,123	9,394,208	30%
Total liabilities	6,636,751	6,364,067	5,226,886	3,638,244	44%
Net assets attributable to Shareholders	7,390,250	7,205,804	6,831,768	5,566,352	23%
Cash at bank and on hand	3,253,281	2,845,246	1,935,682	1,135,435	70%

As depicted in the above table, the Group's operating revenue increased by approximately 46% from 2012 to 2013 with manufacturing segment recorded the most significant increase of approximately 60% from approximately RMB8,677,118,000 in 2012 to approximately RMB13,888,168,000 in 2013. As disclosed in the 2013 Annual Report, such a growth was mainly due to the effective marketing strategies by the Group, especially Guangzhou Wang Lao Ji Great Health Industry Co., Ltd.* (廣州王老吉大健康產業有限公司) ("**WLJ Great Health**") achieved substantial increase in sales volume of the Wang Lao Ji herbal tea in the year ended 31 December 2013. During the six months ended 30 June 2014, operating revenue of the Company amounted to approximately RMB10,020,290,000 in which the manufacturing segment continued to be the Company's profit driver. The Company's operating revenue for the nine months ended 30 September 2014 was approximately RMB14,635,342,000. Net profit of the Company had increased to approximately RMB980,045,000 in the year ended 31 December 2013 from approximately RMB729,040,000 in the year ended 31 December 2012. Net profit of the Company for the nine months ended 30 September 2014 was approximately RMB873,652,000.

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The Company recorded increases in its total assets from approximately RMB9,394,208,000 as at 31 December 2012 to approximately RMB14,249,339,000 as at 30 September 2014. Net assets of the Company attributable to the Shareholders also improved from approximately RMB5,566,352,000 as at 31 December 2012 to approximately RMB7,390,250,000 as at 30 September 2014.

Information on the Subscribers

(a) GPHL

With reference to the Board's Letter, GPHL is a state-owned enterprise established by, and under the administration of, the Guangzhou Municipal People's Government State-owned Assets Supervision and Administration Commission in the PRC. GPHL is principally engaged in the investment in and management of state-owned assets, manufacturing and selling of Chinese and western medicine, Chinese raw medicine, bio-tech products, medical apparatus, packing materials for pharmaceutical products, health drinks and food, hygienic materials and pharmaceutical related merchandise; undertaking medicine related import and export affairs, development of real estate and lease of properties.

(b) GZ SOA Development and GZ Chengfa

With reference to the Board's Letter, GZ SOA Development is a state-owned enterprise established by, and under the administration of, the Guangzhou Municipal People's Government in the PRC. GZ SOA Development is principally engaged in the investment of its own funds, investment management services, business management services (except for projects required for license to operate), investment advisory services; and product wholesale (except for products required permit to sell) and retail business (except for products required permit to sell).

The Board's Letter further disclosed that GZ Chengfa is a limited partnership established under the laws of the PRC. Its general partner, Guangzhou China Life Urban Development Industry Investment Advisory Enterprise (Limited Partnership)* (廣州國壽城市發展產業投資諮詢企業(有限合夥)), is controlled by Guangzhou Industrial Investment Fund Management Company Limited* (廣州產業投資基金管理有限公司), a state-owned enterprise wholly-owned by, and under the administrative of, the Guangzhou Municipal People's Government of the PRC. GZ Chengfa is principally engaged in the investment of its own funds, equity investment, and investment advisory services.

(c) The Asset Manager

According to the Board's Letter, the Asset Manager is a joint stock limited company established in the PRC, owned as to 47% by Orient Securities Company Limited (東方證券股份有限公司), as to 26.5% by Wenhui Xinmin United Press Group (文匯新民聯合報業集團) (which merged with Jiefang Daily Group* (解放軍日報報業集團) in 2013 after which the merged entity became known as Shanghai

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United Media Group* (上海報業集團)), and as to 26.5% by CES Finance Holding Co., Ltd. (東航金戎控股有限責任公司). It is principally engaged in the fund raising and trading, asset management, and other businesses as permitted by the CSRC.

(d) Shanghai Yunfeng

According to the Board's Letter, Shanghai Yunfeng is a limited liability company established in the PRC, owned as to 60% by Mr. Yu Feng* (虞鋒先生) and as to 40% by Mr. Ma Yun* (馬雲先生). It is principally engaged in investment management, investment advisory, management consultation and business consultation services.

Financing alternatives available to the Group

As referred to in the Board's Letter, the Company has not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

Upon our enquiry with the Directors in this respect, we understand that the Directors have considered both debt and equity financing as fund raising methods for the Group from Hong Kong capital market and/or the PRC capital market. In relation to debt financing, the Directors advised us that in light of that (i) the debt financing may incur interest expenses as compared to equity financing; and (ii) the Company does not prefer to increase the Group's gearing level and create additional debt liabilities to the Group, debt financing is considered to be less preferable for the Group at present.

The Directors advised us that having considered that the Group mainly operates in the PRC with most of the transactions denominated and settled in RMB and the funding requirement of the Group for its development plan (as detailed in the sub-section headed "Reasons for the Proposed Placing and Use of Proceeds") will be in RMB, it will be in the interest of the Company to issue new A Shares to obtain the funding directly in RMB. If the Company conducts fund raising activities by issuance of new H Shares in Hong Kong, the Company is required to convert the foreign currencies raised from such issue to RMB, as well as to go through relevant procedures and approvals as required by the relevant PRC rules and regulations to transfer the proceeds back to the PRC for the Group's uses.

Furthermore, according to the Measures for the Administration of the Issue of Securities of Listed Companies* (《上市公司證券發行管理辦法》) and the Implementation Rules for the Non-public Issue of Shares by Listed Companies* (《上市公司非公開發行股票實施細則》) issued by the CSRC (the "**Measures**"), the non-public issuance of new A Shares is generally subject to a lock-up period of not less than (i) 36 months period for (a) the controlling shareholders, their beneficial owners, or their associates; (b) investors who obtain the controlling power upon the completion of the issuance; and (c) strategic investors as introduced by the board of the company; or (ii) 12 months period for the other

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investors from the date of the completion of the issuance. With reference to the Board's Letter, the A Shares to be subscribed by the Subscribers shall not be transferable for a period of 36 months commencing from the completion of the Proposed Placing. However, there is no similar compulsory regulatory requirement in relation to lock-up for H shares listed in Hong Kong. In light of the aforementioned, the Directors are of the view that the issuance of new A Shares will defer and has limited any potential negative impact to the A Share market price of the Company with a lock-up period.

Having considered the above, we concur with the Directors' opinion that the Proposed Placing is the most appropriate fund raising methods currently available for the Group.

Reasons for the Proposed Placing and Use of Proceeds

Pursuant to the Board's Letter, the Directors believe that the Proposed Placing and the implementation of projects to be invested with the proceeds raised will help the Group to improve its financial condition, strengthen the Group's research and development capability, production facilities, distribution networks and promotion channel; and maximize its returns, which will be in the best interests of the Company and Shareholders as a whole.

The participation of GPHL in the Proposed Placing also demonstrates its confidence in the Company and support of the development of the Company's business, which is conducive to enhancing the market image of the Company.

Following the completion of the Proposed Placing, GPHL intends to continue the existing business of the Group, and has no intention to introduce any major changes in such business (including redeployment of the fixed assets of the Group) or to terminate the continued employment of the Group.

The gross proceeds to be raised from the Proposed Placing will be a maximum of approximately RMB10,000 million. The net proceeds from the Proposed Placing, after deducting all related expenses incurred, will be used as to approximately RMB1,500 million for strengthening the Group's research and development capability on medicines, health products and medical technology; as to approximately RMB2,600 million for expansion and reformation of part of the Group's production facilities; as to approximately RMB3,400 million for expansion of and strengthening the Group's distribution networks and promotion channels; as to approximately RMB200 million for establishment of a new management and information system of the Group; and as to approximately RMB2,300 million as for general working capital, details of which are set out below. In the event that the proceeds from the Proposed Placing are not enough to fund the above plans, the Group will use its internal resources to finance the shortfall.

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(a) Establishment of the R&D platform for "Grand Southern TCM"

As advised by the Directors, in order to maintain its competitiveness, the Company intends to apply approximately RMB1,500 million to establish the research and development ("**R&D**") platform, of which approximately RMB350 million will be used to construct the R&D center and acquire equipment and machinery; and approximately RMB1,150 million will be used to conduct further laboratory studies, clinical studies on various famous traditional Chinese medicines, chemical medicines (e.g. medicines for cancers, Parkinson's disease and other age-related diseases and new antibiotics), biological medicines (e.g. medicines for cardiovascular and cerebrovascular diseases and biological vaccines) and high-end health care products of the Group; studies on the development of high-end medical equipment and vitro diagnostic reagents for early detection of infectious diseases, cancer and HPV; and studies on some of the common and critical medical technologies (e.g. extraction and separation technology of Chinese medicines and chemical synthesis technology).

(b) Expansion and reformation of phase 1 of the production base for "Grand Southern TCM"

As disclosed in the Board's Letter, the production facilities of the Group are currently located in different areas of Guangzhou. With an aim to centralize its production facilities, the Company intends to establish an integrated production base and apply approximately RMB1,000 million for the establishment of phase 1 of the production base, relocation of factories of Guangzhou Baiyunshan He Ji Gong Pharmaceutical Factory* (廣州白雲山何濟公製藥廠) and Guangzhou Baiyunshan Ming Xing Pharmaceutical Co., Ltd.* (廣州白雲山明興製藥有限公司) in the production base and refurbishment of production facilities of these two factories to increase their production capacities and technology level.

(c) Capital injection into Guangzhou Pharmaceuticals Corporation* (廣州醫藥有限公司)

As further disclosed in the Board's Letter, the Company intends to apply approximately RMB1,000 million for additional capital injection into Guangzhou Pharmaceuticals Corporation* (廣州醫藥有限公司) as the business platform of the "Brand Commerce", which is a 50% joint venture of the Company, to establish a modern logistic system for medicines distribution and establish an e-commerce platform for medicines distribution. Alliance Boots (聯合博姿), the joint venture partner, will also inject RMB1,000 million into Guangzhou Pharmaceuticals Corporation* (廣州醫藥有限公司) at the same time.

(d) Sales and Promotion of the "Wang Lao Ji" brand and products for "Great Health"

Pursuant to the Board's Letter, the Company intends to apply approximately RMB4,000 million for additional capital injection into WLJ Great Health. Approximately RMB2,400 million of the amount injected will be used to conduct

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brand, culture and marketing activities, and enhance the reputation of "Wang Lao Ji" brand and products to young consumers, expand the existing sale teams to further penetrate the food and beverage industry and increase the "Wang Lao Ji" market share in the PRC. The Company will use part of the proceeds to vigorously promote the culture of herbal tea and the "Wang Lao Ji" brand to overseas markets, and accelerate the establishment of a distribution network for the "Wang Lao Ji" drinks. Approximately RMB1,600 million of the amount injected will be used to construct the production bases for the "Wang Lao Ji" drinks in Nansha Guangzhou, Meizhou Guangdong, Yaán Sichuan and other places in the PRC respectively in order to ensure product quality and reduce reliance on OEM manufacturers.

(e) Establishment of a new management and information platform

Further, the Company intends to apply approximately RMB200 million for the establishment of a new management and information system of the Group, including establishing an information data base for procurements and suppliers management, customers' relationship, sales and distribution management and production management to enhance the efficiency of the Company's management and administration efficiency.

(f) Use as general working capital

In addition, the Company intends to apply approximately RMB2,300 million to replenish its cash flow for general working capital use and to support the Company's future merger and acquisition and expansion opportunities.

As discussed in the sub-section headed "Information on the Group", in the year ended 31 December 2013, operating revenue of the Group in the manufacturing section had substantially increased by 60% and its net profit had materially increased by 34% to approximately RMB980.045 million and such an impressive growth was mainly contributed to the substantial increase in sales volume of the Wang Lao Ji herbal tea. We have noted that out of the intended use of net proceeds and the Proposed Placing, approximately RMB4,000 million will be applied for the sales and promotion of the "Wang Lao Ji" brand and products for "Great Health", while the remaining net proceeds will be used as, among others, general working capital of the Group. According to the 2014 Third Quarterly Report, the Group's cash at bank and on hand as at 30 September 2014 was approximately RMB3,253.28 million only. As such, we consider that the Proposed Placing could provide substantial amount of funds for further development of the Group's existing profitable business and for its future development and therefore, we are of the view that the Proposed Placing is in the interests of the Company and the Shareholders as a whole.

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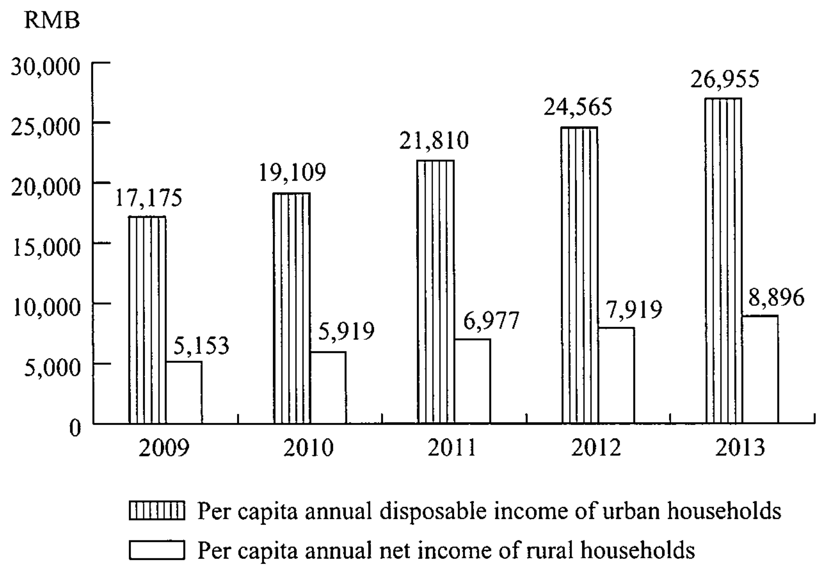
(2) Industry Overview

China's economy has expanded rapidly since the adoption of reform and market liberalization policies by the PRC government beginning in the late 1970s. China's economy has experienced strong growth over the last three decades and has become one of the largest economies in the world. From 2009 to 2013, according to the National Bureau of Statistics of China, China's nominal GDP grew from RMB31.4 trillion to RMB56.9 trillion, representing a compound annual growth rate ("**CAGR**") of 13.74%. Along with China's rapid economic growth, disposable income levels have grown significantly. According to the National Bureau of Statistics of China, per capita annual disposable income of urban households in China increased from RMB17,175 in 2009 to RMB26,955 in 2013, representing a CAGR of 11.93% over this five-year period. During the same period, per capita annual net income of rural households in China increased from RMB5,153 in 2009 to RMB8,896 in 2013, representing a CAGR of 14.63%. The following chart sets forth per capita annual disposable income of urban households and per capita annual net income of rural households in China from 2009 to 2013.

Per capita annual disposable income of urban households and per capita annual net income of rural households in China



Source: National Bureau of Statistics of China

With continuous improvement of living standards and increasing healthcare spending, according to the information from National Health and Family Planning Commission of China in 2014, the average life expectancy of the population in China almost reached 75 years old. While the overall population of China grew at a very slow rate as a result of the One-Child Policy, the population aged 60 or above have increased over the past years. At the end of 2013, population at age 60 or above

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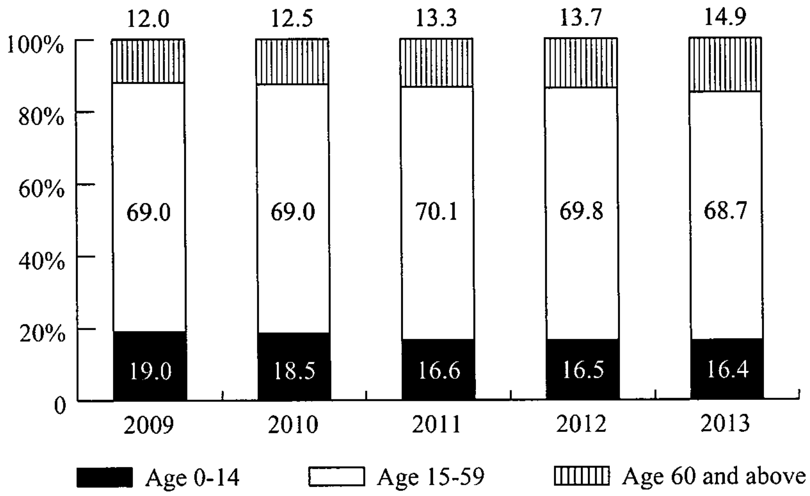
accounted for 14.9% of the total population. The following chart sets forth the percentage of population in different age groups to the total population in China from 2009 to 2013.

Population in different age groups as a percentage of the total population in China



Source: National Bureau of Statistics of China

The persistent increases in per capita annual disposable income, average life expectance and population aged 60 or above mean that there is a great potential demand for medicines and health products in the PRC.

The PRC government is also supportive to the Chinese medicine industry. The PRC government assists the development of the industry through direct investments and creating favorable policies for the industry. It proposed an RMB850 billion three years spending plan to improve the healthcare infrastructure and expand insurance coverage in China in April of 2009. These types of investments into the healthcare sector gave a direct boost to the growth of the entire healthcare industry, of which the Chinese medicine industry forms an important part. The PRC government also reinforced a series of Chinese medicine industry favoring policies, some of which provided support for the construction of Chinese medicine hospitals, which increased the number of Chinese medicine prescriptions and consequently contributed to the growth of demand of Chinese medicine products. In early 2012, Proposal on Promoting the Development of Traditional Chinese Medicine Trade in Services was established and issued by 14 ministries of the PRC which contained a package of measures, including financial investment, taxation support, financial subsidy and measures to improve international recognition, to be introduced to support the development of the Chinese medicine industry. As part of the net proceeds of the Proposed Placing shall be applied for the establishment of the R&D platform for "Grand Southern TCM" which will involve, among others, conduct further laboratory studies, clinical studies on various famous traditional Chinese medicines, the future development plan of the Company is in line with the PRC government's supportive policy to the Chinese medicine industry.

(3) The Subscription Agreements

On 12 January 2015, the Board approved the Proposed Placing, pursuant to which and subject to the Share Adjustment, the Company shall issue a total of up to 419,463,087 new A Shares, which represents (i) approximately 39.15% of the issued A Shares and approximately 32.48% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 28.13% of the enlarged issued A Shares and approximately 24.52% of the enlarged total issued share capital of the Company upon completion of the Proposed Placing, for subscription to the Subscribers.

As part of the Proposed Placing, the Company has entered into the following agreements on 12 January 2015:

(a) GPHL, being a controlling shareholder of the Company, entered into the GPHL Subscription Agreement with the Company pursuant to which GPHL has agreed to subscribe for a maximum of 146,596,236 new A Shares for a maximum subscription amount of approximately RMB3,495 million and given the GPHL Undertaking whereby GPHL agrees to subscribe for all the under-subscribed A Shares under the Employee Scheme Subscription if there is no and/or under subscription by the Asset Manager pursuant to the Employee Scheme Subscription Agreement;

(b) the Company entered into the Concert Party Subscription Agreements with the respective Concert Party Subscribers. Pursuant to the Concert Party Subscription Agreements, GZ SOA Development and GZ Chengfa have agreed to subscribe for an aggregate maximum of 230,704,697 new A Shares for a maximum subscription amount of approximately RMB5,500 million;

(c) the Company entered into the Employee Scheme Subscription Agreement with the Asset Manager. Pursuant to the Employee Scheme Subscription Agreement, the Asset Manager (as trustee of the Employee Stock Trust) has agreed to subscribe for a maximum of 21,189,000 new A Shares for a maximum subscription amount of approximately RMB505 million; and

(d) the Company entered into the Fund Subscription Agreement with Shanghai Yunfeng. Pursuant to the Fund Subscription Agreement, Shanghai Yunfeng (on behalf of the Fund) has agreed to subscribe for a maximum of 20,973,154 new A Shares for a maximum subscription amount of approximately RMB500 million.

Save for the parties to the agreement, the number of A Shares to be subscribed for, the aggregate subscription amount payable to the Company and the GPHL Undertaking, all other major terms of the Subscription Agreements are the same. Completion of each of the Subscription Agreements is not conditional upon each other.

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The Subscription Price

As stated in the Board's Letter, the Subscription Price was determined through arm's length negotiation between the Company and the Subscribers with reference to the trading prices of the A Shares on the Shanghai Stock Exchange. Subject to the Price Adjustment, the Subscription Price is RMB23.84 per new A Share, not less than 90% of the average trading price per A Share during the 20 trading days prior to the Price Determination Date.

If there is any ex-right event (such as declaration of dividend, bonus issue or capitalization of capital reserves) to the Company between the Price Determination Date and the date of issue of A Shares under the Proposed Placing, the Subscription Price and the number of new A Shares to be issued by the Company under the Proposed Placing shall be adjusted in accordance with the relevant regulations relating to the Price Adjustment and Share Adjustment respectively.

The Subscription Price represents:

(i) a discount of approximately 12.06% to the closing price of RMB27.11 per A Share as at 3 December 2014, being the last trading day immediately before the Price Determination Date and the date of the Subscription Agreements;

(ii) a discount of approximately 10.88% to the average closing price of RMB26.75 per A Share for the last five trading days up to and including 3 December 2014;

(iii) a discount of approximately 22.22% to the closing price of RMB30.65 per A Share as at 17 February 2015, being the date of the last trading day of the Shanghai Stock Exchange immediately before the Latest Practicable Date (i.e. the Last Shanghai Trading Date);

(iv) a premium of approximately 28.07% over the closing price of HK$23.45 (equivalent to approximately RMB18.76 based on the exchange rate of RMB1 : HK$1.25) per H Share as quoted on the Hong Kong Stock Exchange on 3 December 2014, being the last trading day immediately preceding the Price Determination Date;

(v) a premium of approximately 26.00% over the average closing price of HK$23.65 (equivalent to approximately RMB18.97 based on the exchange rate of RMB1 : HK$1.25) per H Share as quoted on the Hong Kong Stock Exchange for the last five trading days immediately preceding the Price Determination Date;

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(vi) a premium of approximately 351.62% over the audited net asset value per Share of approximately RMB5.29 as at 31 December 2013, which is calculated based on the number of Shares 1,291,340,650 in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to the Shareholders of approximately RMB6,831,767,892 as at 31 December 2013; and

(vii) a premium of approximately 316.78% over the unaudited net asset value per Share of approximately RMB5.72 as at 30 September 2014, which is calculated based on the number of Shares 1,291,340,650 in issue as at the Latest Practicable Date and the unaudited consolidated net asset value attributable to the Shareholders of approximately RMB7,390,250,000 as at 30 September 2014.

As depicted above, we noticed that the Subscription Prices represents a premium to the price of the H Share and the net asset value per Share. In addition, we note that the Subscription Price was determined pursuant to the Measures issued by the CSRC, which requires the A share issue price to be not less than 90% of the average trading price of A Shares of the Company during the 20 trading days immediately preceding the Price Determination Date of RMB23.8307 and the Subscription Price of RMB23.84 is just above RMB23.8307.

In order to further assess the fairness and reasonableness of the Subscription Price, we have reviewed the daily closing price of the A Shares as quoted on Bloomberg during the period commencing from 2 January 2014 up to and including 3 December 2014, being the last trading day before the date of the Subscription Agreements (both dates inclusive) (the "**Pre-Announcement Period**") and from 13 January 2015 to the Latest Practicable Date (the "**Post-Announcement Period**", collectively known as the "**Review Period**"). The comparison of closing price of the A Shares and the Subscription Price are

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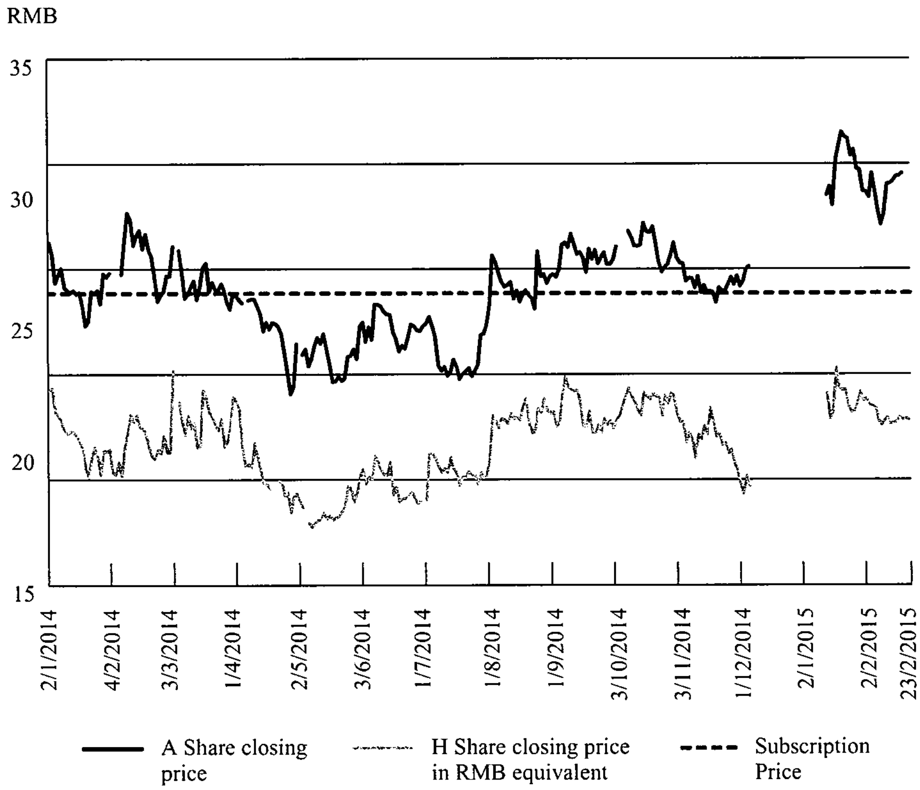
illustrated as follows (the daily closing price of the H Shares (presented in RMB equivalent based on the exchange rate of RMB1 : HK$1.25) as quoted on the Hong Kong Stock Exchange is also included for reference):



Source: the Hong Kong Stock Exchange's website (www.hkex.com.hk) and Bloomberg

Notes:

1. Trading in the A Shares and H Shares was suspended on 5 March 2014.

2. Trading in the A Shares and H Shares was suspended from the afternoon trading session on 3 December 2014 to 12 January 2015 (both days inclusive).

3. Trading dates of the A Shares may vary from those of the H Shares.

Pre-Announcement Period

We note that during the Pre-Announcement Period, the daily closing price of the A Shares fluctuated in which the highest and lowest closing prices of the A Shares were RMB29.147 on 11 February 2014 and RMB22.262 on 28 April 2014, respectively with an average of approximately RMB25.920. The Subscription Price falls within the said price range. We have enquired with the Directors and noted that save for the voluntary and inside information announcements published by the Company from time to time in relation to the Group's business and development, the formation of joint venture(s) and legal proceedings, the Company had not issued any other material announcements during the period.

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Post-Announcement Period

The daily closing price of the A Shares had risen materially since the publication of the Announcement and reached RMB32.210 on 20 January 2015, being the highest closing price during the entire Review Period, (the "**Post Announcement Price Surge**") and thereafter, decreased gradually. As at the Last Shanghai Trading Date, the closing price of the A Share was RMB30.65. Upon our enquiry, the Directors confirmed that save for the overall favourable stock market sentiment together with the market reaction towards the Proposed Placing and the Whitewash Waiver, they are not aware of any reasons which may lead to the Post Announcement Price Surge. We note that save for the Announcement and a voluntary announcement of the Company dated 15 January 2015 clarifying the Company's strategic co-operation framework agreement with Alibaba Health Information Technology Limited and confirming that the Company did not have any plans on the proposed spin-off of WLJ Great Health for the purpose of listing, the Company had not issued other material announcement during the Post-Announcement Period. As such, we are of the view that the Post Announcement Price Surge might be due to overall favourable stock market sentiment together with the market reaction towards the Proposed Placing and the Whitewash Waiver and thus may not be sustainable.

From the above graph, we also noted that (i) the Subscription Price was at a premium to the closing price of the H Shares during the entire Review Period; and (ii) save as and except for early November 2014 to early December 2014, in which the Company issued two announcements on 10 November 2014 and 18 November 2014 regarding the formation of a joint venture and an order granted by court in relation to legal proceedings instituted by WLJ Great Health, respectively, and at late January 2015, the daily closing price of the H Shares more or less followed the general trend of the daily closing price of the A Shares during the Review Period.

As the Subscription Price was fixed before the Post-Announcement Period and the Post Announcement Price Surge during the Post-Announcement Period might be due to overall favourable stock market sentiment together with the market reaction towards the Proposed Placing and the Whitewash Waiver and thus may not be sustainable, we consider that it is appropriate to consider the fairness and reasonableness of the Subscription Price with reference to the closing prices of the Shares at the Pre-Announcement Period. Having taken into account that:

(i) the Subscription Price falls within the lower range of the daily closing price of the A Shares during the Pre-Announcement Period;

(ii) the Subscription Price is at a premium over the daily closing price of the H Shares during the Pre-Announcement Period;

(iii) the Subscription Price was fairly and reasonably determined by the Directors after taking into account of the requirements of the Measures;

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(iv) the Subscription Shares are subject to a lock-up period of 36 months commencing from the completion of the Proposed Placing thus will defer and has limited any negative impact to the A Share market price of the Company since the Subscribers have undertaken not to transfer or otherwise dispose of the Subscription Shares during the aforesaid lock-up period;

(v) the Subscription Price is at a significant premium of approximately 351.62% over the audited net asset value per Share of RMB5.29 as at 31 December 2013; and

(vi) the Subscription Price is at a significant premium of approximately 316.78% over and the unaudited net asset value per Share of RMB5.72 as at 30 September 2014;

we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Lock-up period

All the Subscribers shall not transfer the A Shares subscribed within 36 months from the date of completion of the Proposed Placing, we concur with the view of the Directors that the issuance of new A Shares will defer and has limited any negative impact to the A Share market price of the Company with a lock-up period.

Having considered the above, we are of the view that the terms of the Subscription Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(4) Comparison with other comparable companies

In addition to our analysis on the fairness and reasonableness based on the factors as stated in earlier part of this letter, we try to further assess the fairness and reasonableness of the Subscription Price by researching for companies which have A shares listed on the Shanghai Stock Exchange and H shares listed on the Main Board of the Hong Kong Stock Exchange and are engaged in more or less same line of business as the Company, i.e. manufacture and sales of medicine, pharmaceutical products and great health products. Based on the aforesaid selection criteria, we have identified 3 comparable listed companies (the "**Comparable Companies**"). Since the Comparable Companies fulfilled our foresaid selection criteria, we consider those Comparable Companies to be fair, representative and exhaustive samples.

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The following table sets out (a) the price to earnings ratio ("**P/E**") and the price to book ratio ("**P/B**") of the Comparable Companies based on the closing price of their A shares as at the Last Shanghai Trading Date and their latest published audited financial information; and (b) the implied P/E and P/B of the Company based on the Subscription Price and its latest published audited financial information:

Company name	**Stock code at the Hong Kong Stock Exchange**	**Stock code at the Shanghai Stock Exchange**	**Year end date**	**P/E**	**P/B**
				(times)	*(times)*
Sinopharm Group Co. Ltd.	1099	600511	31/12/2013	68.96	4.11
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	2196	600196	31/12/2013	25.47	3.47
Shanghai Pharmaceutical Holding Co., Ltd.	2607	601607	31/12/2013	21.17	1.83
Maximum:				68.96	4.11
Minimum:				21.17	1.83
Average:				38.53	3.14
The Company			31/12/2013	31.04	4.51

Source: web-sites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange

As shown in the table above, the Comparable Companies were traded at P/E ranging from 21.17 times to 68.96 times, with an average of 38.53 times. The implied P/E of the Company (based on the Subscription Price) of 31.04 times is close to the mid range but below the average P/E of the Comparable Companies. However, we note that out of the three Comparable Companies, the P/E of two Comparable Companies, i.e. Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and Shanghai Pharmaceutical Holding Co., Ltd., were 25.47 times and 21.17 times, respectively. The implied P/E of the Subscription Price represented material premiums over the P/E of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and Shanghai Pharmaceutical Holding Co., Ltd. The P/B of the Comparable Companies ranged from 1.83 times to 4.11 times with an average of 3.14 times. The implied P/B of the Company (based on the Subscription Price) of 4.51 times is higher than the P/B of all of the Comparable Companies. On the basis that (i) the implied P/E of the Subscription Price of 31.04 times represented material premiums over the P/E of two out of the three Comparable Companies; and (ii) the implied P/B of the Subscription Price of 4.51 times is higher than the P/B of all of the Comparable Companies, we consider that the Subscription Price is fair and reasonable.

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(5) Dilution effect on the shareholding interests of the existing public Shareholders

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking and there is no change in the total issued share capital of the Company other than the issue of A Shares since the Latest Practicable Date and up to completion of the Proposed Placing); and (iii) immediately after the completion of the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking and there is no change in the total issued share capital of the Company other than the issue of A Shares since the Latest Practicable Date and up to completion of the Proposed Placing):

Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately after the completion of the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking)		(iii) Immediately after the completion of the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking)	
	No. of Shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
A Shares						
The Concert Group						
GPHL	584,228,036	45.24	730,824,272	42.72	752,013,272	43.96
GZ SOA Development	–	–	125,838,926	7.36	125,838,926	7.36
GZ Chengfa	–	–	104,865,771	6.13	104,865,771	6.13
Sub-total	584,228,036	45.24	961,528,969	56.20	982,717,969	57.44
Other non-public A Share Shareholders						
The Employee Stock Trust	–	–	21,189,000	1.24	–	–
Public A Share Shareholders						
The Fund	–	–	20,973,154	1.23	20,973,154	1.23
Other public A Share Shareholders	487,212,614	37.73	487,212,614	28.48	487,212,614	28.48
Sub-total	487,212,614	37.73	508,185,768	29.70	508,185,768	29.70
Total number of A Shares	1,071,440,650	82.97	1,490,903,737	87.15	1,490,903,737	87.15

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Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately after the completion of the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking)		(iii) Immediately after the completion of the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking)	
	No. of Shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
H Shares						
Public H Share Shareholders	219,900,000	17.03	219,900,000	12.85	219,900,000	12.85
Total number of Shares	1,291,340,650	100.00	1,710,803,737	100.00	1,710,803,737	100.00

Note: The percentages shown are rounded to the nearest 2 decimal places. The numbers may not add up to 100% due to rounding.

As depicted by the table above, the shareholding interests of the existing public Shareholders (including all of the public holders of A Shares and H Shares) in the Company would be diluted by approximately 13.43 percentage point immediately after completion of the Proposed Placing. Taking into account (i) the reasons for and benefits of the Proposed Placing; (ii) the Subscription Price is at a significant premium of approximately 351.62% and approximately 316.78% over the audited net asset value per Share as at 31 December 2013 and the unaudited net asset value per Share as at 30 September 2014, respectively; and (iii) that the terms of the Subscription Agreements being fair and reasonable so far as the Independent Shareholders are concerned, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

(6) Financial effects of the Proposed Placing

(a) Positive impact on cash flow and net current assets of the Group

As disclosed in the 2014 Third Quarterly Report, the aggregate balance of cash at bank and on hand of the Group as at 30 September 2014 was approximately RMB3,253,281,000. Upon completion of the Proposed Placing, the liquidity and cash position of the Group will be improved by approximately 306% with the net proceeds from the Proposed Placing. Accordingly, the Proposed Placing would have positive impacts on the cash position and net current assets of the Group.

(b) Positive effect of the Proposed Placing on the Company's gearing ratio

As advised by the Directors, the gearing ratio (defined as total liabilities divided by total assets) was approximately 46.58% as at 30 September 2014. We have enquired with and understand from the Directors that upon completion of the

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Proposed Placing (assuming the total liabilities of the Group remain the same), the new equity capital from the Proposed Placing will improve the gearing ratio of the Group by approximately 19%.

(c) Positive effect on working capital

Among the net proceeds of the Proposed Placing, RMB2,300 million is intended to be used for general working capital. As such, the Directors expected that the working capital of the Group will be increased by the Proposed Placing.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Proposed Placing.

Recommendation on the Proposed Placing (including the GPHL Subscription and the Concert Party Subscription)

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Proposed Placing (including the GPHL Subscription and the Concert Party Subscription) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) out of the three Comparable Companies, the implied P/E of the Subscription Price of 31.04 times represented material premiums over the P/E of two Comparable Companies; (iii) the implied P/B of the Subscription Price of 4.51 times is higher than the P/B of all of the Comparable Companies and (iv) the Proposed Placing (including the GPHL Subscription and the Concert Party Subscription) are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM and the H Share Class Meeting, respectively, to approve the Proposed Placing (including the GPHL Subscription and the Concert Party Subscription) and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

(B) The Whitewash Waiver

Referring to the Board's Letter, each of GPHL and GZ SOA Development is a state-owned enterprise under the Guangzhou Municipal People's Government and GZ Chengfa is a limited partnership established under the laws of the PRC, whose general partner is controlled by a state-owned enterprise established by, and under the administration of, the Guangzhou Municipal People's Government, but they are under the administration of different government departments. GPHL is under the administration of the Guangzhou Municipal People's Government State-owned Assets Supervision and Administration Commission while GZ SOA Development and GZ Chengfa are directly or indirectly under the administration of the Guangzhou Municipal People's Government.

As at the Latest Practicable Date, GPHL is a controlling shareholder of the Company holding approximately 45.24% of the total issued share capital of the Company. Assuming no further Shares will be issued by the Company prior to the completion of the Proposed

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Placing, upon completion of the Proposed Placing, the interests in the Company held by GPHL will decrease (i) from approximately 45.24% to approximately 42.72% of the total issued share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking) or (ii) from approximately 45.24% to approximately 43.96% of the total issue share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking); and the aggregate interests in the Company held by GZ SOA Development and GZ Chengfa will increase from 0% to approximately 13.49% of the total issued share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing.

GPHL, GZ SOA Development and GZ Chengfa would be treated as parties acting in concert by virtue of falling into the class (1) presumption of "acting in concert" as defined in the Hong Kong Takeovers Code as a result of the Proposed Placing from which their aggregate interests in the Company will increase (i) from approximately 45.24% to approximately 56.20% of the total issued share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is not required to take up any additional A Shares pursuant to the GPHL Undertaking) or (ii) from approximately 45.24% to approximately 57.44% of the total issue share capital of the Company as enlarged by the issue of A Shares under the Proposed Placing (assuming GPHL is required to take up all the additional A Shares pursuant to the GPHL Undertaking).

GPHL and the Concert Party Subscribers will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Hong Kong Takeovers Code as a result of the Proposed Placing and the Concert Group Subscription.

A formal application has been made by the Concert Group to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Hong Kong Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by the Independent Shareholders at the EGM, the Independent A Share Shareholders at the A Share Class Meeting and the Independent H Share Shareholders at the H Share Class Meeting respectively by way of poll. It is a condition precedent to completion of the Proposed Placing, including the Concert Group Subscription that the Whitewash Waiver is granted by the Executive.

If the Whitewash Waiver is not granted by the Executive or if the conditions (if any) imposed thereon are not fulfilled, none of the Proposed Placing, including the Concert Group Subscription will proceed. In such case, the requirement of the Concert Group to make a mandatory general offer under Rule 26 of the Hong Kong Takeovers Code as a result of the Proposed Placing, Concert Party Subscription Agreement will not be triggered.

The Executive has indicated that it will agree, subject to the approval by the Independent Shareholders at the EGM, the Independent A Share Shareholders at the A Share Class Meeting and the Independent H Shares Shareholders at the H Share Class Meeting

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respectively by way of poll, to waive the Concert Group from any obligation to make a general offer for all the Shares under Rule 26 of the Hong Kong Takeovers Code as a result of the Proposed Placing and Concert Group Subscription.

Having considered (i) the factors discussed under the section headed "Reasons for the Proposed Placing and use of proceeds", in particular, the intended use of the net proceeds and the net proceeds from the Proposed Placing could provide substantial amount of funds for the development of the Group's existing and future business; (ii) the expected positive financial effects of the Proposed Placing on the Group as discussed in the section headed "Financial effects of the Proposed Placing"; (iii) out of the three Comparable Companies, the implied P/E of the Subscription Price of 31.04 times represented material premiums over the P/E of two Comparable Companies; (iv) the implied P/B of the Subscription Price of 4.51 times is higher than the P/B of all of the Comparable Companies; and (v) the terms of the Subscription Agreements (including the GPHL Subscription Agreement and the Concert Party Subscription Agreements) being fair and reasonable so far as the Independent Shareholders are concerned, we are of the opinion that the approval of the Whitewash Waiver, which is a prerequisite for the completion of the Proposed Placing, is in the interests of the Company and the Shareholders as a whole and is fair and reasonable for the purpose of proceeding with the Proposed Placing.

RECOMMENDATION ON THE WHITEWASH WAIVER

Having taken into account the reasons for and possible benefits of the Proposed Placing, and that the Proposed Placing is conditional upon the grant of the Whitewash Waiver, we consider that the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders at the EGM and the Independent H Share Shareholders at the H Share Class Meeting to vote in favour of the relevant resolution(s) to be proposed at the respective meetings to approve the Whitewash Waiver and we recommend the Independent Shareholders at the EGM and the Independent H Share Shareholders at the H Share Class Meeting to vote in favour of the relevant resolution(s) in this regard.

* *English translation for illustrative purpose only.*

Yours faithfully,
For and on behalf of
Proton Capital Limited

Alvin H. Y. Leung — *Managing Director*
Josephine Lau — *Director – Corporate Finance*

Note: Mr. Alvin H. Y. Leung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2012 and 2003, respectively. Mr. Leung has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Hong Kong Takeovers Code and the Hong Kong Listing Rules. Ms. Josephine Lau has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2012 and 2007, respectively. Ms. Lau has more than 13 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Hong Kong Takeovers Code and the Hong Kong Listing Rules.

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