

## CONNECTED TRANSACTIONS

### EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### **Zhejiang Xin Rui Pharmaceutical Office**

Zhejiang Xin Rui Pharmaceutical has entered into a tenancy agreement (as supplemented by a confirmation dated 15 August 2012) as tenant with Mr. Yang Qi (楊奇) and Ms. Tu Yue Li (屠月麗) as landlords (the "**Tenancy Agreement**") to lease the premises at Room 3703, Dikai International Centre, Jianggan District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市江干區迪凱國際中心3703室) at an annual rental of RMB550,099 for a term of 3 years from 1 April 2012 to 31 March 2015 for its office use.

Ascent Partners Valuation Service Limited, an independent qualified valuer, has confirmed that the rent payable under the Tenancy Agreement is fair and reasonable and consistent with the market rents for similar premises in similar location at the time of commencement of the Tenancy Agreement and is on normal commercial terms.

#### **Hong Rui Trading Office**

Pursuant to an undated certification, Mr. Dai, an executive Director, has provided his premises at Room 1805, No. 42 Fengqi Road East, Jianggan District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市江干區鳳起東路42號1805室), to Hong Rui Trading at nil consideration for a period of 5 years from 1 June 2012 to 31 May 2017 for its office use.

Our Directors (including our independent non-executive Directors) are of the view that the continuing connected transactions described in this section have been entered into on normal commercial terms or better terms to our Group and in the ordinary and usual course of business of our Group.