

*The following is the text of the letter of recommendation to the Disinterested Shareholders from the Independent Board Committee regarding the Share Buy-back Agreement and the transactions contemplated thereunder, including the Whitewash Waiver and the Share Buy-back and the proposal for distribution of the Special Dividend for the purpose of incorporation in this circular.*



**康臣藥業集團有限公司**  
CONSUN PHARMACEUTICAL GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1681)**

20 March 2017

*To the Disinterested Shareholders*

Dear Sir or Madam,

**(1) PROPOSED OFF-MARKET SHARE BUY-BACK  
AND CONNECTED TRANSACTION;  
(2) APPLICATION FOR WHITEWASH WAIVER;  
(3) PROPOSAL FOR DISTRIBUTION OF SPECIAL DIVIDEND; AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 20 March 2017 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise you as to whether, in our opinion, the Share Buy-back Agreement and the transactions contemplated thereunder, including the Whitewash Waiver and the Share Buy-back and the proposal for distribution of the Special Dividend are fair and reasonable as far as the Disinterested Shareholders are concerned and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. TC Capital has been appointed as the independent financial adviser to advise us and the Disinterested Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 19 to 36 to this Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 16 of the Circular and the additional information set out in the appendices to the Circular.

Having taken into account the advice of TC Capital, we consider that the Share Buy-back Agreement and the transactions contemplated thereunder, including the Whitewash Waiver and the Share Buy-back and the proposal for distribution of the Special Dividend are fair and reasonable as far as the Disinterested Shareholders are concerned and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Disinterested Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Share Buy-back Agreement and the transactions contemplated thereunder, including the Whitewash Waiver and the Share Buy-back and the proposal for distribution of the Special Dividend.

Yours faithfully,  
Independent Board Committee of  
**Consun Pharmaceutical Group Limited**

**Mr. SU Yuanfu**

**Mr. FENG Zhongshi**  
*Independent non-executive Directors*

**Ms. CHENG Xinxin**