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上海復星醫藥（集團）股份有限公司

**Shanghai Fosun Pharmaceutical (Group) Co., Ltd.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02196)**

**INSIDE INFORMATION  
DISCLOSEABLE TRANSACTION  
PROGRESS ON ACQUISITION OF THE CONTROLLING INTEREST IN  
GLAND PHARMA LIMITED**

This announcement is made by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (“**Company**”), pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

Reference is made to the Company’s announcement dated 28 July 2016 (the “**Announcement**”) in connection with, among other things, acquiring approximately 86.08% equity interest in Gland Pharma Limited (“**Gland**”). Unless otherwise specified, capitalized terms used herein shall have the same meaning ascribed to them in the Announcement.

**I. ACQUISITION OVERVIEW**

The Company proposes to invest in no more than US\$1,261.37 million through its controlling subsidiary to acquire approximately 86.08% equity interest (the “**Acquisition**”) in Gland. The enterprise value of the Acquisition (cum-rights) was approximately US\$1,350 million, which equals to 16 times of Gland’s EBITDA for the financial year 2016 (i.e. the financial year period from 1 April 2015 to 31 March 2016) and among the range of the enterprise valuation multiples from the recent injectable pharmaceutical enterprise mergers and acquisitions in Indian and global market (approximately 12 to 22 times of EBITDA). The Acquisition has been approved at the sixth meeting of the seventh session of the board of directors of the Company and has to be submitted to the general meeting of the Company for consideration and approval.

## II. UPDATE ON THE ACQUISITION

Ernst & Young Hua Ming CPAs (special general partnership), a qualified securities practitioner in the PRC, has been engaged by the Company to audit the financial statements of Gland for the previous year (i.e. from 1 January 2015 to 31 December 2015) and the first quarter of the current year (i.e. from 1 January 2016 to 31 March 2016) and issued the auditor's report of "Ernst & Young Hua Ming (2016) Zhuan Zi No. 60469139\_B05" ("**Financial Statements**").

As audited, Gland had total assets of RMB1,997.93 million, total shareholders' equity of RMB1,562.47 million and total liabilities of RMB 435.46 million as at 31 December 2015. For the year of 2015, Gland had total revenue of RMB1,221.81 million, total profit of RMB396.38 million and net profit of RMB271.93 million.

As audited, Gland had total assets of RMB2,029.32 million, total shareholders' equity of RMB1,631.79 million and total liabilities of RMB 397.54 million as at 31 March 2016. For the period between January and March 2016, Gland had total revenue of RMB357.01 million, total profit of RMB112.29 million and net profit of RMB80.77 million.

In preparation of the Financial Statements, the amounts denominated in Indian Rupee, the functional currency of Gland, has been translated into Renminbi based on the following, the assets and liabilities are translated into RMB at the exchange rates prevailing at the end of the reporting period; and the income and expenses are translated into RMB at the weighted average exchange rates for the year or period. The resulting exchange differences are recognized in other comprehensive income.

The related Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, Statement of Cash Flows as extracted from the Financial Statements are included in this announcement.

# GLAND PHARMA LIMITED

## Balance Sheet

31 March 2016 and 31 December 2015

Expressed in Renminbi Yuan

	31 March 2016	31 December 2015
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and bank balances	265,849,311.82	286,931,122.90
Accounts receivable, net	341,216,806.34	276,126,218.75
Prepayments	14,728,763.66	4,887,025.29
Interest receivable	1,959,247.20	2,731,043.71
Other receivables, net	310,545.80	255,049.51
Inventories, net	357,165,377.87	399,437,139.54
Other current assets	<u>61,070,813.01</u>	<u>55,427,825.19</u>
<b>Total current assets</b>	<u><b>1,042,300,865.70</b></u>	<u><b>1,025,795,424.89</b></u>
<b>Non-current assets:</b>		
Financial assets available for sale	167,842.50	169,050.00
Fixed assets, net	766,607,079.26	684,371,532.63
Construction in progress	196,646,500.98	266,721,918.93
Other non-current assets	<u>23,599,557.76</u>	<u>20,868,477.60</u>
<b>Total non-current assets</b>	<u><b>987,020,980.50</b></u>	<u><b>972,130,979.16</b></u>
<b>TOTAL ASSETS</b>	<u><b>2,029,321,846.20</b></u>	<u><b>1,997,926,404.05</b></u>

	31 March 2016	31 December 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term loans	38,822,700.00	42,418,747.67
Accounts payable	86,118,683.03	121,192,635.31
Advance from customers	106,874,898.45	78,963,352.12
Employee benefits payable	664,196.95	1,192,428.23
Taxes payable	6,562,149.70	26,220,270.93
Interest payable	703,552.27	756,264.63
Other payables	15,693,779.42	19,377,072.54
Non-current liabilities due within one year	20,041,297.35	25,329,947.10
Other current liabilities	<u>3,396,548.40</u>	<u>3,420,984.00</u>
<b>Total current liabilities</b>	<u>278,877,805.57</u>	<u>318,871,702.53</u>
<b>Non-current liabilities:</b>		
Long-term loans	48,818,064.15	53,950,921.49
Long-term payables	6,553,964.34	6,540,355.16
Deferred tax liabilities	<u>63,285,826.11</u>	<u>56,095,434.22</u>
<b>Total non-current liabilities</b>	<u>118,657,854.60</u>	<u>116,586,710.87</u>
<b>TOTAL LIABILITIES</b>	<u>397,535,660.17</u>	<u>435,458,413.40</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>1,631,786,186.03</u>	<u>1,562,467,990.65</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>2,029,321,846.20</u></u>	<u><u>1,997,926,404.05</u></u>

## Income Statement

For the three months ended 31 March 2016 and the year ended 31 December 2015

Expressed in Renminbi Yuan

	For the period from 1 January 2016 to 31 March 2016	2015
<b>Revenue</b>	<b>357,008,655.06</b>	1,221,807,141.08
Less: Cost of sales	<b>227,426,438.70</b>	781,112,242.85
Taxes and surcharges	<b>6,652,141.42</b>	20,071,309.74
Selling expenses	<b>7,927,970.31</b>	27,936,292.54
General and administrative expenses	<b>4,867,533.67</b>	16,220,687.36
Financial expenses	<b>(1,547,169.33)</b>	(16,466,263.06)
<b>Operating profit</b>	<b>111,681,740.29</b>	392,932,871.65
Add: Non-operating income	<b>645,690.61</b>	3,590,389.20
Less: Non-operating expenses	<b>39,592.49</b>	138,812.82
<i>Including: loss on disposal of non-current assets</i>	<b>39,592.49</b>	138,812.82
<b>Total profit</b>	<b>112,287,838.41</b>	396,384,448.03
Less: Income tax expense	<b>31,519,665.72</b>	124,453,940.90
<b>Net profit</b>	<b>80,768,172.69</b>	271,930,507.13
<b>Other comprehensive income, net of tax</b>	<b>(11,449,977.31)</b>	5,882,787.09
Other comprehensive income not being reclassified to profit or loss in subsequent periods	<b>—</b>	—
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	<b>(11,449,977.31)</b>	5,882,787.09
<b>Total comprehensive income</b>	<b>69,318,195.38</b>	277,813,294.22

## Statement of Changes in Shareholders' Equity

*For the three months ended 31 March 2016 and the year ended 31 December 2015*

*Expressed in Renminbi Yuan*

	<b>Total shareholders' equity</b>
<b>Opening Balance at 1 January 2015</b>	<u>1,314,709,529.15</u>
Movement in 2015	
i. Total comprehensive income	277,813,294.22
ii. Increase or decrease in capital by shareholders	
1. Share repurchase	(29,718,302.92)
2. Return of government subsidy for plant opening	<u>(336,529.80)</u>
<b>Ending Balance at 31 December 2015</b>	<u><u>1,562,467,990.65</u></u>
Movement for the three months ended 31 March 2016	
i. Total comprehensive income	<u>69,318,195.38</u>
<b>Ending Balance at 31 March 2016</b>	<u><u>1,631,786,186.03</u></u>

## Statement of Cash Flows

For the three months ended 31 March 2016 and the year ended 31 December 2015

Expressed in Renminbi Yuan

	For the period from 1 January 2016 to 31 March 2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from the sale of goods or rendering of services	304,933,742.49	1,102,037,805.91
Cash received relating to other operating activities	<u>1,324,268.76</u>	<u>7,654,793.48</u>
<b>Sub-total of cash inflows</b>	<u>306,258,011.25</u>	<u>1,109,692,599.39</u>
Cash paid for goods and services	195,029,855.25	688,329,193.32
Cash paid to and on behalf of employees	31,229,479.71	122,154,785.34
Cash paid for all types of taxes	<u>43,876,673.82</u>	<u>87,723,673.73</u>
<b>Sub-total of cash outflows</b>	<u>270,136,008.78</u>	<u>898,207,652.39</u>
<b>Net cash flows generated from operating activities</b>	<u>36,122,002.47</u>	<u>211,484,947.00</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from collection of investments	101,968,282.46	181,310,003.56
Cash received from interest income of investments	4,978,174.88	21,961,472.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>272,726.65</u>	<u>350,737.01</u>
<b>Sub-total of cash inflows</b>	<u>107,219,183.99</u>	<u>203,622,212.63</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	41,155,978.71	196,786,286.91
Cash paid for acquisition of investments	<u>—</u>	<u>117,360.00</u>
<b>Sub-total of cash outflows</b>	<u>41,155,978.71</u>	<u>196,903,646.91</u>
<b>Net cash flows generated from investing activities</b>	<u>66,063,205.28</u>	<u>6,718,565.72</u>

For the  
period from  
**1 January 2016**  
**to 31 March 2016** 2015

**CASH FLOWS FROM FINANCING ACTIVITIES**

Cash received from borrowings	—	828,304.19
<b>Subtotal of cash inflows</b>	<b>—</b>	<b>828,304.19</b>
Cash paid for repurchasing shares	—	29,718,302.92
Cash repayments of borrowings	<b>13,060,701.79</b>	25,029,247.88
Cash paid for distribution of dividends or profits and for interest expenses	<b>2,424,762.80</b>	13,437,513.84
Cash paid relating to other financing activities	—	336,529.80
<b>Subtotal of cash outflows</b>	<b>15,485,464.59</b>	<b>68,521,594.44</b>
<b>Net cash flows used in financing activities</b>	<b>(15,485,464.59)</b>	<b>(67,693,290.25)</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(5,079,687.01)</b>	<b>(422,745.37)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>81,620,056.15</b>	<b>150,087,477.10</b>
Add: cash and cash equivalents at beginning of period/year	<b>184,229,255.67</b>	<b>34,141,778.57</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR</b>	<b>265,849,311.82</b>	<b>184,229,255.67</b>

By order of the Board  
**Shanghai Fosun Pharmaceutical (Group) Co., Ltd.\***  
**Chen Qiyu**  
*Chairman*

Shanghai, PRC  
4 August 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu and Mr. Yao Fang; the non-executive directors are Mr. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can; and the independent non-executive directors are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.*

\* For identification purposes only