

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your H Shares in Nanjing Sinolife United Company Limited, you should hand this circular together with the accompanying form of proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

## **NANJING SINOLIFE UNITED COMPANY LIMITED\***

**南京中生聯合股份有限公司**

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

**(Stock Code: 3332)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF 40% OF THE EQUITY  
INTEREST IN TARGET COMPANY AND SUBSCRIPTION OF  
H SHARES BY FOSUN HK;  
(2) AMENDMENTS TO THE ARTICLES;  
AND  
(3) NOTICE OF EGM AND CLASS MEETINGS**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 5 to 20 of this circular.

Notices convening the EGM, a class meeting for holders of H Shares and a class meeting for holders of domestic Shares to be held at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC on Thursday, 21 July 2016 at 9:30 a.m., 10:15 a.m. and 11:00 a.m. respectively are set out in this circular and their respective reply slips and forms of proxy are also enclosed hereto. Whether or not you intend to attend the meetings, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon. The forms of proxy for use at the EGM and the Class Meetings should be returned to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's registered office in the PRC at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for holders of domestic Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding the meetings or any adjournment thereof. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment thereof if you so wish. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Thursday, 30 June 2016.

\* For identification purposes only

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## DEFINITIONS

*In this circular, the following terms shall have the following meanings unless the context otherwise requires:*

“Acquisition”	the conditional acquisition of 40% of the equity interest held by Fosun Partnership in the Target Company by the Company at a consideration of HK\$133 million to be satisfied in cash, details of which were set out in the Equity Transfer Agreement
“Agreement”	the agreement dated 6 April 2016 and entered into among the Company, Fosun Partnership and Fosun HK in relation to the Acquisition and the Subscription, the major terms of which are set out in the paragraph headed “The Agreement” in the section headed “Letter from the Board” in this circular
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Board”	the board of Directors
“Class Meetings”	(i) the class meeting for holders of H Shares to be held immediately after the conclusion of the EGM, or any adjourned meeting thereof respectively; and (ii) the class meeting for holders of domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, or any adjourned meeting thereof respectively, to consider and, if thought fit, to approve, among other matters, the Agreement and the transactions contemplated thereunder
“Company”	Nanjing Sinolife United Company Limited* (南京中生聯合股份有限公司), a joint stock limited liability company incorporated in the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreement, which shall take place on the Acquisition Completion Day
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group immediately after Completion

## DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve, among other matters, (i) the Agreement and the transactions contemplated thereunder; and (ii) the amendments to the Articles
“Equity Transfer Agreement”	the agreement dated 6 April 2016 and entered into between the Company and Fosun Partnership setting out details of the Acquisition
“Fosun Chuangfu”	Shanghai Fosun Chuangfu Equity Investment Fund Partnership (L.P.)* (上海復星創富股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC and was interested in 61,111,000 domestic Shares, representing approximately 7.29% of the total issued Shares, as at the Latest Practicable Date
“Fosun HK”	Fosun Weishi (Hong Kong) Limited (復星惟實(香港)有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Fosun Partnership
“Fosun Partnership”	Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)* (上海復星惟實一期股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC
“Good Health”	Good Health Products Limited, a company incorporated in New Zealand and limited by shares and is wholly-owned by the Target Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Agreement
“Group”	collectively, the Company and its subsidiaries from time to time
“H Share(s)”	overseas-listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company which are listed on the Stock Exchange and are subscribed for and traded in Hong Kong Dollars
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, other than the Shareholders who have a material interest in the transactions contemplated under the Agreement (i.e. Shareholders other than Mr. Gui Pinghu, Ms. Zhang Yuan and Fosun Chuangfu and their respective associates)
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are independent of and not connected with the Group, the Directors, the chief executives, controlling Shareholders and substantial Shareholders of the Company and its subsidiaries and any of their respective associates
“Latest Effective Date”	the latest date which the Agreement shall become effective pursuant to the terms of the Agreement
“Latest Practicable Date”	28 April 2016, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Business Day”	any day(s) (excluding Saturday(s), Sunday(s) and statutory holiday(s)) in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) with a nominal value of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“Subscription”	the conditional issue and allotment of 38,000,000 H Shares by the Company to Fosun HK at a subscription price of HK\$3.50 per H Share, details of which are set out in the paragraph headed “The Subscription” in the section headed “Letter from the Board” in this circular
“Subscription Agreement”	the agreement dated 6 April 2016 entered into between the Company and Fosun HK in respect of the Subscription
“Subscription Consideration”	the consideration for the Subscription, being HK\$133 million
“Subscription Share Issue Price”	HK\$3.50 per Subscription Share
“Subscription Shares”	38,000,000 H Shares to be issued by the Company to Fosun HK pursuant to the Subscription, each being a “Subscription Share”
“Target Company”	Shanghai Weiyi Investment & Management Limited Company* (上海惟翊投資管理有限公司), a limited liability company established in the PRC and is owned as to 60% by the Company and 40% by Fosun Partnership
“Target Group”	the Target Company and its subsidiaries from time to time
“%”	per cent

\* For identification purposes only

*For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of HK\$1.00 to RMB0.82.*

**LETTER FROM THE BOARD**

**NANJING SINOLIFE UNITED COMPANY LIMITED\***

**南京中生聯合股份有限公司**

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

**(Stock Code: 3332)**

***Executive Directors:***

Mr. Gui Pinghu (*Chairman*)  
Ms. Zhang Yuan (*Chief executive officer*)  
Ms. Xu Li  
Ms. Zhu Feifei

***Registered office and headquarters:***

30/F, Deji Building  
188 Chang Jiang Road  
Xuanwu District  
Nanjing, Jiangsu Province  
PRC

***Non-executive Director:***

Mr. Xu Chuntao

***Principal place of business  
in Hong Kong:***

40th Floor, Jardine House  
1 Connaught Place  
Hong Kong

***Independent non-executive Directors:***

Mr. Jiang Fuxin  
Ms. Feng Qing  
Mr. Vincent Cheng

3 May 2016

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF 40% OF THE EQUITY  
INTEREST IN TARGET COMPANY AND SUBSCRIPTION OF  
H SHARES BY FOSUN HK;  
AND  
(2) AMENDMENTS TO THE ARTICLES**

*To the Shareholders*

Dear Sir or Madam,

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 6 April 2016. On 6 April 2016 (after trading hours), the Company, Fosun Partnership and Fosun HK entered into the Agreement, pursuant to which the parties have conditionally agreed to carry out the following transactions:

- (i) the Company has conditionally agreed to acquire 40% of the equity interest in the Target Company from Fosun Partnership at a consideration of HK\$133 million to be satisfied in cash;
- (ii) Fosun Partnership will transfer an amount equivalent to the cash consideration of HK\$133 million to a bank account designated by Fosun HK; and

\* *For identification purposes only*

## LETTER FROM THE BOARD

- (iii) Fosun HK will apply the cash consideration to subscribe for 38,000,000 H Shares at a subscription price of HK\$3.50 per Subscription Share.

The Board proposes to amend the Articles to reflect, among others, the changes in the total number of issued Shares and H Shares after the Subscription. Details of the proposed amendments are set out in the section headed “Amendments to the Articles” below.

As certain of the applicable percentage ratios for the transactions contemplated under the Agreement under the Listing Rules are more than 5% but less than 25%, the transactions contemplated under the Agreement constitute discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the transactions contemplated under the Agreement are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Fosun Partnership held 40% of the equity interest in the Target Company thereby being a substantial shareholder of the Target Company and a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. The transactions contemplated under the Agreement constitute connected transactions for the Company, and are subject to the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital in relation to the Agreement and the transactions contemplated thereunder; and (iv) notices of the EGM and the Class Meetings.

## II. DISCLOSEABLE AND CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 6 April 2016. On 6 April 2016 (after trading hours), the Company, Fosun Partnership and Fosun HK entered into the Agreement, pursuant to which the parties have conditionally agreed to carry out the following transactions:

- (i) the Company has conditionally agreed to acquire 40% of the equity interest in the Target Company from Fosun Partnership at a consideration of HK\$133 million to be satisfied in cash (i.e. the Acquisition);
- (ii) Fosun Partnership will transfer an amount equivalent to the cash consideration of HK\$133 million to a bank account designated by Fosun HK; and
- (iii) Fosun HK will apply the cash consideration to subscribe for 38,000,000 H Shares at a subscription price of HK\$3.50 per Subscription Share (i.e. the Subscription).



## LETTER FROM THE BOARD

Details of the Agreement and the transactions contemplated thereunder are set out below:

### 1. The Agreement

Date: 6 April 2016

Parties:

- (1) The Company
- (2) Fosun Partnership
- (3) Fosun HK

As at the Latest Practicable Date, Fosun HK was a wholly-owned subsidiary of Fosun Partnership. The entrusted investment management company of Fosun Partnership is the same as that of Fosun Chuangfu, a limited partnership established in the PRC in 2011 which was interested in 61,111,000 domestic Shares, representing approximately 7.29% of the total issued Shares, as at the Latest Practicable Date.

### 2. Transactions contemplated under the Agreement

#### (i) *The Acquisition*

Upon signing of the Agreement, Fosun Partnership should arrange for the relevant administrative procedures and apply for the relevant approvals (if necessary) in relation to the remittance of foreign currencies from Fosun Partnership to Fosun HK (“**Administrative Procedures**”) as soon as possible.

On the date of the Agreement, the Company and Fosun Partnership entered into the Equity Transfer Agreement in relation to the transfer of 40% equity interest in the Target Company from Fosun Partnership to the Company. The Equity Transfer Agreement shall become effective when the Agreement becomes effective.

Within 10 days after the effective date of the Agreement and completion of the Administrative Procedures, the Company shall deposit the amount equivalent to the cash consideration of HK\$133 million in RMB (“**Cash Consideration**”) into the bank account designated by Fosun Partnership.

Within five PRC Business Days after completion of the Subscription Procedures (as defined below), the Target Company shall file the necessary applications to the relevant administration for industry and commerce in the PRC in relation to the change in holders of equity interest in the Target Company pursuant to the Acquisition (“**Equity Transfer Application**”). On the date of completion of the Equity Transfer Application (“**Acquisition Completion Day**”), the Target Company shall convert into a limited liability company with sole member.

## LETTER FROM THE BOARD

*(ii) Transfer of cash from Fosun Partnership to Fosun HK*

Within 10 days after the receipt of the Cash Consideration by Fosun Partnership, Fosun Partnership shall transfer an amount equivalent to the Cash Consideration to a bank account designated by Fosun HK (“**Cash Transfer**”). The Company shall be responsible for the differences arising from the conversion of currencies during the Cash Transfer.

*(iii) The Subscription*

On the date of the Agreement, the Company and Fosun HK entered into the Subscription Agreement pursuant to which the Company shall issue and allot 38,000,000 H Shares to Fosun HK at the Subscription Consideration that is equivalent to the Cash Consideration (i.e. HK\$133,000,000). The Subscription Share Issue Price shall be HK\$3.50 per Subscription Share. The Subscription Agreement shall become effective when the Agreement becomes effective.

Within 30 days upon the Subscription Agreement becomes effective, Fosun HK shall pay the Subscription Consideration to the Company. Within 10 days upon the receipt of the Subscription Consideration by the Company, the Company shall arrange with its H share registrar for the necessary procedures for the issue and allotment of the Subscription Shares (“**Subscription Procedures**”).

Reference is made to the announcements of the Company dated 17 December 2015 and 22 January 2016, and the circular of the Company dated 29 February 2016 (“**Hejian Circular**”) in relation to the acquisition of 100% of the equity interest in Shanghai Hejian Nutritional Food Products Company Limited\* (上海禾健營養食品股份有限公司). It is expected that the issue (“**Issue of Domestic Shares**”) and allotment of 62,717,770 domestic Shares to certain vendors in such acquisition (“**Hejian Vendors**”) will be completed before the Agreement becomes effective.

The Subscription Shares represent:

- (a) approximately 16.74% of the total issued H Shares as at the date of the Agreement;
- (b) approximately 4.53% of the total issued share capital of the Company as at the date of the Agreement;
- (c) approximately 14.34% of the total issued H Shares as enlarged by the Subscription;
- (d) approximately 4.34% of the total issued share capital of the Company as enlarged by the Subscription (without taking into account the Issue of Domestic Shares); and
- (e) approximately 4.05% of the total issued share capital of the Company as enlarged by the Issue of Domestic Shares and the Subscription.

## LETTER FROM THE BOARD

The Subscription Share Issue Price represents:

- (a) a premium of approximately 17.45% over the closing price per Share of HK\$2.98 as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 27.74% over the closing price per Share of HK\$2.74 as quoted on the Stock Exchange on the date of the Agreement;
- (c) a premium of approximately 32.58% over the closing price per Share of HK\$2.64 as quoted on the Stock Exchange on the trading day immediately preceding the date of the Agreement;
- (d) a premium of approximately 33.59% over the average closing price per Share of HK\$2.62 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Agreement; and
- (e) a premium of approximately 36.13% over the average closing price per Share of HK\$2.571 as quoted on the Stock Exchange for the last 10 consecutive trading days immediately preceding the date of the Agreement.

The Subscription Share Issue Price was determined to be HK\$3.50 per Subscription Share based on arm's length negotiation with Fosun Partnership and Fosun HK, and taking into account the issue price per domestic Share in the Issue of Domestic Shares, which was determined to be RMB2.87 (equivalent to approximately HK\$3.50) per domestic Share. As set out in the Hejian Circular, the Company and the vendors in the acquisition agreed that prior to completion of the Issue of Domestic Shares, the Company shall not conduct any issue and allotment of H Shares with a subscription price lower than HK\$3.50 per H Share.

Further, the Company also took into account the closing price per Share between 1 September 2015 and the date of the Agreement which was relatively stable between HK\$2.42 and HK\$3.08.

The net price of the Subscription Shares to the Company is approximately HK\$3.47 per Subscription Share. The net proceeds from the Subscription, being approximately HK\$131.82 million, will be used to (i) replenish the cash flow of the Group in the event that the Cash Consideration is being financed by the internal resources of the Group; (ii) repay bank borrowings ("**Acquisition Bank Borrowings**") in the event that the Cash Consideration is being financed by bank borrowings; or (iii) a mix of (i) and (ii) in the event that the Cash Consideration is being financed by a combination of internal resources of the Group and the Acquisition Bank Borrowings.

The Subscription Shares will rank pari passu in all respects with the H Shares in issue as at the date of the issue and allotment of the Subscription Shares. The aggregate nominal value of the Subscription Shares is RMB3,800,000.

## LETTER FROM THE BOARD

Set out below is the shareholding structure of the Company (i) immediately before completion of the Issue of Domestic Shares and the Subscription; (ii) immediately upon completion of the Issue of Domestic Shares and prior to completion of the Subscription; (iii) immediately upon completion of the Subscription (without taking into account the Issue of Domestic Shares); and (iv) immediately upon completion of the Issue of Domestic Shares and the Subscription:

	Immediately before completion of the Issue of Domestic Shares and the Subscription		Immediately upon completion of the Issue of Domestic Shares and prior to completion of the Subscription		Immediately upon completion of the Subscription (without taking into account the Issue of Domestic Shares)		Immediately upon completion of the Issue of Domestic Shares and the Subscription	
	<i>Number of issued shares held</i>	<i>%</i>	<i>Number of issued shares held</i>	<i>%</i>	<i>Number of issued shares held</i>	<i>%</i>	<i>Number of issued shares held</i>	<i>%</i>
	<i>(Note 1)</i>		<i>(Note 1)</i>		<i>(Note 1)</i>		<i>(Note 1)</i>	
<b>Holders of domestic Shares</b>								
Mr. Gui Pinghu <i>(Note 2)</i>	477,126,590	56.92	477,126,590	52.96	477,126,590	54.46	477,126,590	50.82
Ms. Zhang Yuan <i>(Note 2)</i>	6,599,550	0.79	6,599,550	0.73	6,599,550	0.75	6,599,550	0.70
Ms. Xu Li <i>(Note 2)</i>	5,498,570	0.66	5,498,570	0.61	5,498,570	0.63	5,498,570	0.59
Ms. Zhu Feifei <i>(Note 2)</i>	659,340	0.08	659,340	0.07	659,340	0.08	659,340	0.07
Ms. Yu Min <i>(Note 2)</i>	659,340	0.08	659,340	0.07	659,340	0.08	659,340	0.07
Ms. Wu Xuemei <i>(Note 2)</i>	551,480	0.07	551,480	0.06	551,480	0.06	551,480	0.06
Ms. Wu Yanmei <i>(Note 3)</i>	52,965,000	6.32	52,965,000	5.88	52,965,000	6.05	52,965,000	5.64
Fosun Chuangfu <i>(Note 5)</i>	61,111,000	7.29	61,111,000	6.78	61,111,000	6.97	61,111,000	6.51
<b>Public holders of domestic Shares</b>								
Hejian Vendors <i>(Note 4)</i>	—	—	62,717,770	6.96	—	—	62,717,770	6.68
Other holders of domestic Shares	5,940,130	0.71	5,940,130	0.66	5,940,130	0.68	5,940,130	0.63
<b>Holders of H Shares</b>								
Fosun HK <i>(Note 5)</i>	—	—	—	—	38,000,000	4.34	38,000,000	4.05
Public Shareholders	<u>227,058,000</u>	<u>27.09</u>	<u>227,058,000</u>	<u>25.20</u>	<u>227,058,000</u>	<u>25.91</u>	<u>227,058,000</u>	<u>24.18</u>
<b>Total</b>	<b><u>838,169,000</u></b>	<b><u>100%</u></b>	<b><u>900,886,770</u></b>	<b><u>100%</u></b>	<b><u>876,169,000</u></b>	<b><u>100%</u></b>	<b><u>938,886,770</u></b>	<b><u>100%</u></b>

Notes:

- The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.
- Mr. Gui Pinghu, Ms. Zhang Yuan, Ms. Xu Li and Ms. Zhu Feifei are executive Directors. Ms. Yu Min and Ms. Wu Xuemei are supervisors of the Company.
- Ms. Wu Yanmei is the spouse of Mr. Gui Pinghu who is an executive Director.

## LETTER FROM THE BOARD

4. The Hejian Vendors include Ms. Zhou Li, Shanghai Jiahanyin Investment Company Limited\* (上海甲翰寅投資有限公司), Mr. Zhou Dong and Shanghai Zhongwei Chuangye Investment Centre Partnership\* (上海中衛創業投資中心(有限合夥)). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Hejian Vendors are Independent Third Parties.
5. Fosun Chuangfu and Fosun HK shall be considered as a substantial shareholder of the Company by aggregating their respective interests in the issued share capital of the Company (being approximately 10.56%) upon completion of the Issue of Domestic Shares and the Subscription. Please refer to the paragraph headed "Information on the Company, the Target Group, Fosun Partnership and Fosun HK" below for further information.
6. As at the Latest Practicable Date, the Company did not have any outstanding convertible securities.

The Subscription will not result in a change of control of the Company. The Subscription Shares shall be issued and allotted under a specific mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings. As advised by the PRC legal advisers of the Company, the Subscription requires approval from the China Securities Regulatory Commission (中國證券監督管理委員會, "CSRC").

Application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares to be issued and allotted under the Agreement. Prior to completion of the Subscription, the Company shall not distribute its profits exceeding RMB120 million.

The Subscription Shares are not subject to any lock-up requirements.

### Consideration

Pursuant to the Agreement, the consideration ("**Consideration**") to be satisfied by the Company was the Cash Consideration. The Company intends to finance the Cash Consideration by internal resources and/or bank borrowings. As at the Latest Practicable Date, the Company was still in negotiation with the banks in relation to the borrowings to be obtained in relation to the Acquisition. As confirmed by the Directors, the bank(s) would only be able to finalise the amount of borrowings after the publication of this circular.

The Consideration as well as the method of settlement of the Consideration was arrived at after arm's length negotiations among the Company, Fosun Partnership and Fosun HK taking into account the financial performance of the Target Group (which is set out in the paragraph headed "Financial information of the Target Company" below) and its business prospects, which together with the reasons for and the potential benefit which the transactions contemplated under the Agreement may bring to the Company, are set out in the paragraph headed "Reasons for and benefits of the transactions contemplated under the Agreement" below. In determining the Consideration, the Company took into account the price to earnings ratio of companies listed in Hong Kong which are engaged in similar business as the Target Group, which ranged from a multiple of 2.48 to 23.25 and the average multiple being 13.39 ("**Average PE**"). The ratio of the Consideration and the

## LETTER FROM THE BOARD

earnings of the Target Company is approximately 14.60 which is similar to the Average PE. The Directors believe that the terms of the Agreement and the transactions contemplated thereunder, including the Consideration, are fair and reasonable and in the interests of the Shareholders as a whole.

### Conditions precedent

The Agreement shall become effective upon:

- (i) passing of the relevant resolutions at the EGM and the Class Meetings approving the Agreement and the transactions contemplated thereunder;
- (ii) the general partner of Fosun Partnership approving the Agreement and the transactions contemplated thereunder, including the Acquisition and the Cash Transfer;
- (iii) passing of the relevant resolutions by the shareholder of Fosun HK in relation to the Agreement and the Subscription;
- (iv) the grant of approval from the Stock Exchange in respect of the circular of the Company to be issued regarding the transactions contemplated under the Agreement;
- (v) the grant of the approval(s) from the CSRC (if applicable) and the Stock Exchange in relation to the Subscription; and
- (vi) obtaining necessary approval(s) and satisfaction of other requirements under applicable laws and regulations in the PRC and other jurisdictions in relation to the Acquisition (including but not limited to the approval of the Acquisition and a written consent obtained from the Overseas Investment Office in New Zealand).

Parties to the Agreement may not waive any of the conditions set out above. As at the Latest Practicable Date, conditions (ii) and (iii) have been fulfilled. The parties to the Agreement do not intend to waive any of the conditions.

If the Agreement does not become effective within 180 days after its signing due to reasons other than default by any of the parties, the parties may by agreement extend the Latest Effective Date of the Agreement by 30 days, after which any of the parties may terminate the Agreement. However, in the event that the party(ies) is in the course of obtaining the necessary approval(s) specified in (i) to (vi) above, and it is expected that such approval(s) will be granted in reasonable time, either of the parties may propose a further time extension in relation to the Latest Effective Date.

### Completion

Completion of the Agreement shall take place at the Acquisition Completion Day.

## LETTER FROM THE BOARD

### Events of default

If any party terminates the Agreement due to the Agreement not becoming effective by the Latest Effective Date (after extension, if applicable) and which is not caused by reasons including failure to perform the obligation(s) or breach of the applicable laws and regulations by any party, the party can terminate the Agreement and the transactions contemplated thereunder, including without limitation, the Equity Transfer Agreement and the Subscription Agreement, and neither party shall have any rights or claims against the other in respect of any matter arising out of or in connection with the Agreement.

If any party fails to perform its obligations which result in the failure to complete any transaction(s) contemplated under the Agreement, and such failure persists 30 days after receiving a written notice from the other party(ies) regarding such failure, the defaulting party should pay the non-defaulting party(ies) damages equivalent to 20% of the Cash Consideration. Further, the non-defaulting party(ies) can elect the defaulting party to continue to perform its obligations under the Agreement, remedy or pay damages to the non-defaulting party(ies) including the losses which will be suffered by the non-defaulting party(ies) as a result. The non-defaulting party(ies) can also elect to notify the defaulting party to terminate the Agreement, in this event Fosun Partnership should return the Renminbi equivalent of the Cash Consideration to the Company and the defaulting party should pay damages to the non-defaulting party(ies) including the losses which will be suffered by the non-defaulting party(ies).

### Other arrangement

During the period between the date of the Agreement and the Acquisition Completion Day, the Company shall be responsible for the net profits or losses of the Target Company, and the Target Company should not distribute its profits.

### III. INFORMATION ON THE COMPANY, THE TARGET GROUP, FOSUN PARTNERSHIP AND FOSUN HK

The Company is an investment holding company. The Group is a leading manufacturer of nutritional supplements and health food products in the PRC and it engages in the sale of nutritional supplements and health food products.

The Target Company is an investment holding company established in the PRC which is owned as to 60% by the Company and 40% by Fosun Partnership. As at the Latest Practicable Date, Fosun Chuangfu, a limited partnership established in the PRC in 2011, was interested in 61,111,000 domestic Shares, representing approximately 7.29% of the total issued Shares. The entrusted investment management company (“**Management Company**”) of Fosun Chuangfu is the same as that of Fosun Partnership which is the sole owner of Fosun HK. The Management Company is the general partner of Fosun Chuangfu and the controlling shareholder of the general partner of Fosun Partnership. As such, the Management Company is able to exercise control over Fosun Chuangfu and Fosun Partnership, and upon completion of the Issue of Domestic Shares and the Subscription, the Management Company, through its being the general partner of Fosun Chuangfu and the controlling shareholder of the general partner of Fosun Partnership, is able to control the exercise of approximately 10.56% of voting power at

## LETTER FROM THE BOARD

the Company's general meetings (being the then aggregate voting power of each of Fosun Chuangfu and Fosun Partnership in the Company's general meetings). As such, Fosun Chuangfu and Fosun HK, in aggregate, shall be considered as a substantial shareholder of the Company by aggregating their respective interests in the issued share capital of the Company upon completion of the Issue of Domestic Shares and the Subscription.

The Target Group is principally engaged in the manufacturing and sale of dietary and wellbeing supplements in New Zealand. As at 31 December 2015, it offered 165 Good Health series products, which are sold under its various customer channels to the local New Zealand market and the Australian market, such as pharmacies and health food stores, and to the PRC market. The product range includes colostrums, marine, bee & placenta, omega, joint health, super greens, immune support, digestive health, relaxation, women's health, beauty, men's health, essentials, weight management and super food.

Fosun Partnership is a limited partnership established in the PRC and is principally engaged in investment activities. As at the Latest Practicable Date and so far as the Directors are aware, the equity interests in Fosun Partnership were held by 16 partners which comprised 11 limited companies established in the PRC, two limited partnerships established in the PRC, the Technology Innovation Service Centre of Minhang District of Shanghai\* (上海市閔行區科技創新服務中心), the National Council for Social Security Fund of the PRC and one individual.

Fosun HK is a wholly-owned subsidiary of Fosun Partnership and is principally engaged in investment activities.

Save as disclosed, Fosun Partnership does not have any other (prior or current) business relationships and/or other connections or relationships with the Company, its Directors, controlling shareholders or connected persons.

### **Financial information of the Target Company**

The Target Company was established on 21 October 2014 for the purpose of the acquisition of Good Health, details of which were set out in the announcements of the Company dated 20 November 2014, 24 November 2014 and 29 May 2015 and the circular of the Company dated 19 December 2014. According to the unaudited consolidated accounts of the Target Company, the net asset value of the Target Company was approximately RMB127,983,000 as at 31 December 2015. The net profits of the Target Company before and after taxation and extraordinary items for the year ended 31 December 2015 were approximately RMB9,254,000 million and RMB6,792,000 respectively. The net loss of the Target Company before and after taxation and extraordinary items for the year ended 31 December 2014 were both approximately RMB8,000. As the acquisition of Good Health was only completed in May 2015, its financial results were only consolidated into the financial results of the Target Company since then. Prior to completion of the acquisition of Good Health, the net loss incurred by the Target Company was attributable to the administrative expenses such as rents for office and office expenses.



## LETTER FROM THE BOARD

Prior to Completion, the Target Company was owned as to 60% by the Company. The Company and Fosun Partnership acquired the 60% and 40% equity interest of the Target Company respectively at nil consideration pursuant to an equity transfer agreement dated 31 October 2014 between the Company, Fosun Partnership and Shanghai Fosun Weishi Investment Management Company Limited\* (上海復星惟實投資管理有限公司). The share capital of the Target Company was not paid up as at 31 October 2014. In December 2014 and May 2015, the Company and Fosun Partnership injected capital into the Target Company in proportion to their respective equity interest. As at the Latest Practicable Date, the issued and paid-up capital of the Target Company was RMB120 million. The amount of the capital injected into the Target Company by the Company and Fosun Partnership was RMB72 million and RMB48 million respectively. The Target Company was at a start-up stage in late 2014 and the purpose of its establishment was mainly to acquire Good Health. As disclosed in the paragraph headed “Consideration” above, the Consideration (i.e. HK\$133 million) was arrived at after arm’s length negotiations among the Company, Fosun Partnership and Fosun HK taking into account, among others, the financial performance of the Target Group and its expected business prospects. As the brand of “Good Health” is one of the leading brands in the nutritional supplements and health food products industry in New Zealand, and there was an increase in the net profits of Good Health for the year ended 31 December 2015 as compared to that of previous year, the Directors expect that the Group will benefit from an increase in profits from the Target Group after completion of the Acquisition. Besides, the Directors consider that there is increasing global awareness of health foods products. As such, the Directors believe that the Consideration, compared to the amount of capital injected into the Target Company by Fosun Partnership (i.e. RMB48 million), is fair and reasonable and in the interests of the Shareholders as a whole.

After Completion, the Target Company will become a wholly-owned subsidiary of the Company. The financial results of the Target Company will continue to be consolidated into the financial results of the Company.

#### **IV. REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE AGREEMENT**

The Group is a leading manufacturer of nutritional supplements and health food products in the PRC. The Target Group was principally engaged in the manufacturing and sale of dietary and wellbeing supplements in New Zealand. The Target Company was set up in October 2014 for the acquisition of Good Health which completed in May 2015 and was owned as to 60% by the Company and 40% by Fosun Partnership as at the Latest Practicable Date.

The Company would like to better manage its resources, therefore, it decided to acquire the remaining 40% of the equity interest in the Target Company so that it can have better control and allocation of resources in the Target Group. The brand of “Good Health” is one of the leading brands in the nutritional supplements and health food products industry in New Zealand. According to the unaudited accounts of Good Health, there was an increase in its net profits for the year ended 31 December 2015 as compared to the previous year. The Directors

## LETTER FROM THE BOARD

consider that due to the increasing global awareness of health foods products and based on the financial performance of the Target Company, it is expected that the Group will benefit from an increase in profits from the Target Group after Completion.

Taking into account of the above factors, the Directors believe that the transactions contemplated under the Agreement will be in the interest of the Group and the Shareholders as a whole.

### **V. FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any fund raising activities in the past 12 months before the Latest Practicable Date.

### **VI. LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios for the transactions contemplated under the Agreement under the Listing Rules are more than 5% but less than 25%, the transactions contemplated under the Agreement constitute discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the transactions contemplated under the Agreement are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Fosun Partnership held 40% of the equity interest in the Target Company thereby being a substantial shareholder of the Target Company and a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. The transactions contemplated under the Agreement constitute connected transaction for the Company, and are subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. An Independent Board Committee has been established to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder. The Company will seek the Independent Shareholders' approval for the Agreement at the EGM and the Class Meetings.

Mr. Gui Pinghu and Ms. Zhang Yuan, each being an executive Director, was each a director of the Target Company. Mr. Xu Chuntao, a non-executive Director, was a director of the Target Company. Accordingly, Mr. Gui Pinghu, Ms. Zhang Yuan and Mr. Xu Chuntao were considered to have a material interest in the transactions contemplated under the Agreement by virtue of their directorships in the Target Company and had abstained from voting on the board resolution(s) approving the transactions contemplated under the Agreement.

## LETTER FROM THE BOARD

### VII. AMENDMENTS TO THE ARTICLES

The Board proposes to amend the Articles to reflect, among others, the changes in the total number of issued Shares and H Shares after the Subscription. The Board also proposes to adopt a new set of amended and restated Articles containing the aforesaid proposed amendments to the Articles in substitution for and to the exclusion of the existing Articles.

The proposed amendments to the Articles are as follows:

(i) Existing **Article 16** of the Articles:

“In May 2013, the Company upon its establishment issued 6,111,100 ordinary shares (at a par value of RMB1 each), representing 10% of the Company’s then total ordinary shares, to Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership.

As approved by the securities authorities of the State Council, the Company may issue not more than 234,370,000 overseas listed foreign invested shares at a par value of RMB0.1 each, all being ordinary shares. In 2014, the Company issued to the public 227,058,000 overseas foreign shares (including the over-allotted shares) which are listed on the Hong Kong Stock Exchange.

After completion of the first allotment of domestic shares of the Company in 2016, the share capital structure of the Company: there are a total of 900,886,770 ordinary shares, of which 477,126,590 shares are held by Gui Pinghu, one of the promoters, 52,965,000 shares are held by Wu Yanmei, one of the promoters, 143,737,180 shares are held by other holders of the domestic shares and 227,058,000 shares are held by the holders of overseas foreign listed shares.”

It is proposed that the existing Article 16 be deleted in its entirety and replaced with the following:

“In May 2013, the Company upon its establishment issued 6,111,100 ordinary shares (at a par value of RMB1 each), representing 10% of the Company’s then total ordinary shares, to Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership.

As approved by the securities authorities of the State Council, the Company may issue not more than 234,370,000 overseas listed foreign invested shares at a par value of RMB0.1 each, all being ordinary shares. In 2014, the Company issued to the public 227,058,000 overseas foreign shares (including the over-allotted shares) which are listed on the Hong Kong Stock Exchange.

After completion of the first allotment of H shares of the Company in 2016, the share capital structure of the Company: there are a total of 938,886,770 ordinary shares, of which 477,126,590 shares are held by Gui Pinghu, one of the promoters, 52,965,000 shares are held by Wu Yanmei, one of the promoters, 143,737,180 shares are held by other holders of the domestic shares and 265,058,000 shares are held by the holders of overseas foreign listed shares.”

## LETTER FROM THE BOARD

(ii) Existing **Article 19** of the Articles:

“The registered capital of the Company is RMB90,088,677.”

It is proposed that the existing Article 19 be deleted in its entirety and replaced with the following:

“The registered capital of the Company is RMB93,888,677.”

Save for the proposed amendments to the Articles set out above, other provisions in the Articles remain unchanged.

The Company confirms that the amendments to the Articles will not affect the existing businesses and operations of the Group and the Directors confirm that the proposed amendments to the Articles are in compliance with the Listing Rules. Based on the confirmation made by the Company’s PRC legal adviser, the proposed amendments of the Articles comply with the PRC laws.

The proposed amendments to the Articles and the proposed adoption of the new Articles are subject to the approval of Shareholders by way of special resolutions at the EGM.

Shareholders are advised that the Articles are available in English and Chinese. The English translation of the Articles is for reference only. In case of any inconsistency, the Chinese version shall prevail.

### VIII. EGM AND THE CLASS MEETINGS

The EGM and the Class Meetings will be convened to consider and, if thought fit, to approve, among other matters, (i) the Agreement and the transactions contemplated thereunder; and (ii) the amendments to the Articles.

Notices convening the EGM, a class meeting for holders of H Shares and a class meeting for holders of domestic Shares to be held at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC on Thursday, 21 July 2016 at 9:30 a.m., 10:15 a.m. and 11:00 a.m. respectively are set out in this circular and their respective reply slips and forms of proxy are also enclosed hereto.

Whether or not you intend to attend the meetings, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon and return them to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company’s registered office in the PRC at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for holders of domestic Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding the meetings or any adjournment thereof. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment thereof if you so wish.

## LETTER FROM THE BOARD

Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Thursday, 30 June 2016.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM and the Class Meetings shall be taken by poll. In order to determine the Shareholders who are eligible to attend the EGM and the Class Meetings, the register of members of the Company will be closed from Tuesday, 21 June 2016 to Thursday, 21 July 2016 (both dates inclusive) during which period no transfer of Shares will be registered.

As at the Latest Practicable Date, Mr. Gui Pinghu, an executive Director and a director of the Target Company, together with his spouse, was interested in 530,091,590 domestic Shares, representing approximately 63.24% of the total issued Shares; Ms. Zhang Yuan, an executive Director and a director of the Target Company, was interested in 6,599,550 domestic Shares, representing approximately 0.79% of the total issued Shares. Accordingly, Mr. Gui Pinghu and Ms. Zhang Yuan were considered to have a material interest in the transactions contemplated under the Agreement by virtue of their directorship in the Target Company and they and their respective associates will abstain from voting on the resolution(s) approving the transactions contemplated under the Agreement in the EGM and the Class Meetings. Further, Fosun Chuangfu will abstain from voting on the resolution(s) approving the transactions contemplated under the Agreement in the EGM and the Class Meetings since it is considered to have a material interest in the transactions contemplated under the Agreement by virtue of its relationship with Fosun Partnership, which was set out in the paragraph headed “Information on the Company, the Target Group, Fosun Partnership and Fosun HK” above.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, there are no Shareholders having a material interest in (i) the Agreement and the transactions contemplated thereunder; and (ii) the amendments to the Articles, and will be required to abstain from voting on any resolution at the EGM and/or the Class Meetings.

### **IX. RECOMMENDATION**

The Directors (including the Independent Board Committee after considering the advice of Gram Capital) consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and, together with the amendments to the Articles, are in the interests of the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM and the Class Meetings.

Your attention is also drawn to:

- (a) this letter from the Board;
- (b) a letter of recommendation from the Independent Board Committee is set out on page 21 of this circular; and

## LETTER FROM THE BOARD

- (c) a letter from Gram Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 39 of this circular.

### **X. FURTHER INFORMATION**

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board  
**Nanjing Sinolife United Company Limited**  
**Gui Pinghu**  
*Chairman*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder.*

### **NANJING SINOLIFE UNITED COMPANY LIMITED\***

**南京中生聯合股份有限公司**

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

**(Stock Code: 3332)**

#### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 40% OF THE EQUITY INTEREST IN TARGET COMPANY AND SUBSCRIPTION OF H SHARES BY FOSUN HK**

We refer to the circular dated 3 May 2016 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter. We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. Gram Capital has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons Gram Capital has taken into consideration in giving such advice, are set out in the “Letter from Gram Capital” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices thereto.

Having taken into account the terms of the Agreement and the transactions contemplated thereunder, we are of the opinion that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, on normal commercial terms and, together with the amendments to the Articles, are in the interests of the Group and the Shareholders as a whole although they are not in the ordinary and usual course of business of the Group. We, therefore, recommend that you vote in favour of the resolutions to be proposed at the EGM and the Class Meetings to approve Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Independent Board Committee**

**Mr. Jiang Fuxin**  
*Independent non-executive  
Director*

**Ms. Feng Qing**  
*Independent non-executive  
Director*

**Mr. Vincent Cheng**  
*Independent non-executive  
Director*

\* *For identification purposes only*

## LETTER FROM GRAM CAPITAL

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreement and transactions contemplated thereunder for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

3 May 2016

*To: The independent board committee and the independent shareholders  
of Nanjing Sinolife United Company Limited*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO  
(1) ACQUISITION OF 40% OF THE EQUITY INTEREST  
IN TARGET COMPANY; AND  
(2) SUBSCRIPTION OF H SHARES BY FOSUN HK**

### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and transactions contemplated thereunder (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 3 May 2016 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 6 April 2016 (after trading hours), the Company, Fosun Partnership and Fosun HK entered into the Agreement, pursuant to which the parties have conditionally agreed to carry out following transactions: (i) the Company has conditionally agreed to acquire 40% of the equity interest in the Target Company from Fosun Partnership at a consideration of HK\$133 million to be satisfied in cash; (ii) Fosun Partnership will transfer an amount equivalent to the cash consideration of HK\$133 million to a bank account designated by Fosun HK; and (iii) Fosun HK will apply the cash consideration to subscribe for 38,000,000 H Shares at a subscription price of HK\$3.50 per Subscription Share.

With reference to the Board Letter, the transactions contemplated under the Agreement constitute discloseable and connected transactions for the Company, and are subject to the announcement, reporting and independent shareholders’ approval requirements under the Listing Rules.



## LETTER FROM GRAM CAPITAL

Mr. Gui Pinghu and Ms. Zhang Yuan, each being an executive Director, was each a director of the Target Company. Mr. Xu Chuntao, a non-executive Director, was a director of the Target Company. Accordingly, Mr. Gui Pinghu, Ms. Zhang Yuan and Mr. Xu Chuntao were considered to have a material interest in the transactions contemplated under the Agreement by virtue of their directorship in the Target Company and had abstained from voting on the board resolution(s) approving the transactions contemplated under the Agreement.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Jiang Fuxin, Ms. Feng Qing and Mr. Vincent Cheng, has been formed to advise the Independent Shareholders on (i) whether the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the Agreement are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the independent Shareholders should vote in respect of the resolution(s) to approve the Agreement and the transactions contemplated thereunder at the EGM and the Class Meetings. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides that, apart from the advisory fee and expenses payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

### **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. We have assumed that all information and representations that have been provided by the Directors, 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. 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. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/

## LETTER FROM GRAM CAPITAL

arrangements or implied understanding with anyone concerning the Transactions. 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 Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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, Fosun Partnership, Fosun HK, the Target Company, Good Health or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. 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. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

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

#### **(1) Background and reasons for the Transactions**

##### ***Business overview of the Group***

With reference to the Board Letter, the Group is a leading manufacturer of nutritional supplements and health food products in the PRC.

## LETTER FROM GRAM CAPITAL

Set out below is a summary of the audited consolidated financial information on the Group for the two years ended 31 December 2015 as extracted from the Company's annual report for the year ended 31 December 2015 (the "2015 Annual Report"):

	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2014</b>	<b>Year on year change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue	397,064	252,449	57.28
Profit for the year	138,950	107,870	28.81
	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>	<b>Year on year change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Cash and bank balances	532,326	550,044	(3.22)
Net assets	715,713	632,953	13.08

As depicted by the above table, the Group recorded a substantial increase in revenue of approximately 57.28% from approximately RMB252.45 million for the year ended 31 December 2014 to approximately RMB397.06 million for the year ended 31 December 2015. During the same said year under review, the net profit of the Group also grew substantially by approximately 28.81% from 2014 to 2015. The 2015 financial results improvement was mainly attributable to the acquisition of a well-known nutritional supplements manufacturer and distributor, namely Good Health, and the rapid sales of Zhongsheng series products in 2015. As at 31 December 2015, the Group recorded cash and bank balances of approximately RMB532.33 million.

With reference to the 2015 Annual Report, the Group had newly acquired a new brand, namely "Good Health", which is one of the leading health products brands in New Zealand and the brand under management of the Target Company. Over the six-month cooperation and communication, the Group and Good Health mutually understood each other. It has developed new marketing plans for the PRC market and Australian market as a result of performing detailed product and marketing research and analysis. In 2016, the new marketing plan will be used for introducing the products to PRC markets, enhancing the cross-border sales in the e-commerce platforms and diversifying the products in the Australian market.

As confirmed by the Directors, the Group had maintained a rapid growth rate and the optimal development for its products in 2015. It had enhanced its competitive strengths in different areas of PRC market, including the human resources, marketing, management and product. In 2016, it would continue to focus

## LETTER FROM GRAM CAPITAL

on development and launch of new products, introducing new ingredients and functions, analysis and research on the Australian market. It would then have more understanding and confidence in the health products in the international market. In 2016, the Group would grip the opportunity to develop the Australian market and to promote “Good Health” as well as expand its health food business in PRC market in order to improve the health conditions of people.

### *Information on the Fosun Partnership and Fosun HK*

With reference to the Board Letter, Fosun Partnership is a limited partnership established in the PRC and is principally engaged in investment activities. Fosun HK is a wholly-owned subsidiary of Fosun Partnership and is primarily engaged in investment activities.

### *Information of the Target Company and its subsidiary*

The Target Group is principally engaged in the manufacturing and sale of dietary and wellbeing supplements in New Zealand. As at 31 December 2015, it offered 165 Good Health series products, which are sold under its various customer channels to the local New Zealand market and the Australian market, such as pharmacies and health food stores, and to the PRC market. The product range includes colostrums, marine, bee & placenta, omega, joint health, super greens, immune support, digestive health, relaxation, women’s health, beauty, men’s health, essentials, weight management and super food. As at the Latest Practicable Date, the Target Company was owned as to 60% by the Company and as to 40% by Fosun Partnership.

The Target Company was established on 21 October 2014 and has only one subsidiary, namely Good Health. With reference to the circular of the Company dated 19 December 2014 (the “**Previous Circular**”), the Target Company entered into an agreement (the “**Previous Agreement**”) on 20 November 2014 for the acquisition of the entire equity interest in Good Health (the “**Previous Acquisition**”). As mentioned above, the Previous Acquisition was completed on 29 May 2015.

According to the unaudited consolidated accounts of the Target Company, the net asset value of the Target Group was approximately RMB127,983,000 as at 31 December 2015. The net profits of the Target Group before and after taxation and extraordinary items for the year ended 31 December 2015 were approximately RMB9,254,000 and RMB6,792,000 respectively. The net loss of the Target Group before and after taxation and extraordinary items for the year ended 31 December 2014 were both approximately RMB8,000. With reference to the Board Letter, prior to completion of the acquisition of Good Health, the net loss incurred by the Target Company for the year ended 31 December 2014 was attributable to the administrative expenses such as rents for office and office expenses.

## LETTER FROM GRAM CAPITAL

According to the management account of Good Health for the year ended 31 December 2015, the unaudited profit after tax of Good Health was approximately RMB18.68 million for the year ended 31 December 2015.

### *Reasons for and benefits of entering into the Agreement*

With reference to the Board Letter, the Company would like to better manage its resources, therefore, it decided to acquire the remaining 40% of the equity interest in the Target Company so that it can have better control and allocation of resources in the Target Company. According to the unaudited accounts of Good Health, there was an increase in its net profits for the year ended 31 December 2015 as compared to that for the year ended 31 December 2014. The Directors considered that due to the increasing global awareness of health foods products, it is expected that the Group will be benefited from an increase in profits from the Target Group after completion of the Acquisition.

With reference to the 2015 Annual Report, during 2015, the continuous growth of nutritional supplements industry in the PRC was principally driven by the rising disposal income of consumers (CAGR of the disposable income was approximately 10.8% from 2011 to 2015), the increasing average age and life expectancy of the population in the PRC, growing population under sub-health condition in the PRC and rising awareness of the benefits of nutritional supplements. According to the “Outline of the Programme for Food and Nutrition Development in China (2014–2020)” published by the State Council of the PRC, the PRC will actively raise the nutrient intake of its people, and will make the development of health food and nutrient fortified food one of the priorities.

With reference to the National Bureau of Statistics of China, both the total population and the population aged 65 and over have been growing in the PRC. The total population in the PRC amounted to approximately 1.37 billion at the end of 2014, while the population aged 65 and over amounted to approximately 137.55 million at the end of 2014. With reference to the World DataBank, in the PRC, (i) the GDP per capita was approximately US\$7,590 in 2014 with a CAGR of approximately 13.87% from 2010 to 2014; and (ii) the life expectancy at birth was approximately 75.8 years in 2014 with an annual increase of approximately 0.2 years from 2011 to 2014. According to an article published by the State Council of the PRC on 29 March 2016, expenditure of health-care products and health-care instruments increased by approximately 45.8% in 2015 as compared to 2013.

With reference to the Statistics New Zealand, based on the death rates in New Zealand in 2012–14, the life expectancy is 83.2 years for females and 79.5 years for males. The life expectancy at birth has increased by 1.0 years for females and 1.5 years for males since 2005–07. As at 30 June 2015, New Zealand’s estimated resident population was 4.60 million, representing a growth of approximately 1.93% compared to the previous year. As at 30 June 2015, population aged 65 and over amounted for approximately 14.67% of the total resident population. With reference to the World DataBank, in New Zealand, (i) the GDP per capita was approximately

## LETTER FROM GRAM CAPITAL

US\$44,342.2 in 2014 with a CAGR of approximately 7.35% from 2010 to 2014; and (ii) the life expectancy at birth was approximately 81.4 years in 2014 with an annual increase of approximately 0.3 years, 0.2 years and nil in 2012, 2013 and 2014 respectively. With reference to an industry report published by First Digital about the vitamins and health supplements market in New Zealand, 88% of those surveyed have taken vitamins or health supplements, with 63% responding that they take vitamins or health supplements daily.

With reference to the Australian Bureau of Statistics, as at the end of September 2015, the estimated resident population in Australia was approximately 23.86 million, representing an increase of approximately 1.33% as compared to the previous year. With reference to the 2011–12 National Nutrition and Physical Activity Survey (NNPAS) of Australia, 29% of Australians reported taking at least one dietary supplement on the day prior to interview. Multivitamin and/or multimineral supplements were the most commonly taken dietary supplements, being consumed by around 16% of the population with fish oil supplements taken by around 12% of the population. With reference to the World DataBank, in Australia, (i) the GDP per capita was approximately US\$61,979.9 in 2014 with a CAGR of approximately 4.56% from 2010 to 2014; and (ii) the life expectancy at birth was approximately 82.3 years in 2014 with an annual increase of approximately 0.1 years from 2011 to 2013 and approximately 0.2 years in 2014.

The Directors consider that the future prospects of the nutritional supplements industry in the PRC is positive as the programme will help boost the development of China's health food market. In addition, with the trend of increasing life expectancy and rising GDP per capita in New Zealand and Australia, the Directors also considered that the future prospects of the nutritional supplements industry in the New Zealand and Australia are likely to be on a rising trend. Having considered the aforementioned statistic data, we concur with the Directors in those regards.

As advised by the Directors, the gross proceeds from the issue of the Subscription Shares will be HK\$133 million, which is the same as the Cash Consideration. The net proceeds from the Subscription, being approximately HK\$131.82 million, will be used to (i) replenish the cash flow of the Group in the event that the Cash Consideration being financed by internal resources of the Group; (ii) repay bank borrowings (the “**Acquisition Bank Borrowings**”) in the event that the Cash Consideration being financed by bank borrowings; or (iii) a mix of (i) and (ii) in the event that the Cash Consideration being financed by a combination of internal resources of the Group and the Acquisition Bank Borrowings. As at the Latest Practicable Date, the Company was still in negotiation with the banks in relation to the borrowings to be obtained in relation to the Acquisition.

In view of that (i) the Acquisition is in line with the business development of the Group; (ii) the financial performance of the Target Group, in particular, Good Health; (iii) prospects of the nutritional supplements industry in the PRC, New

## LETTER FROM GRAM CAPITAL

Zealand and Australia; and (iv) the proposed use of proceeds from the Subscription, we concur with the Directors that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

### (2) The Agreement

Summarised below are the major terms for the Agreement:

***Date:***

6 April 2016

***Parties:***

- (i) The Company
- (ii) Fosun Partnership
- (iii) Fosun HK

***Transactions contemplated under the Agreement:***

***(i) The Acquisition***

Upon signing of the Agreement, Fosun Partnership should arrange for the relevant administrative procedures and apply for the relevant approvals (if necessary) in relation to the remittance of foreign currencies from Fosun Partnership to Fosun HK (“**Administrative Procedures**”) as soon as possible.

On the date of the Agreement, the Company and Fosun Partnership entered into the Equity Transfer Agreement in relation to the transfer of 40% equity interest in the Target Company from Fosun Partnership to the Company. The Equity Transfer Agreement shall become effective when the Agreement becomes effective.

Within 10 days after the effective date of the Agreement and completion of the Administrative Procedures, the Company shall deposit the amount equivalent to the Cash Consideration of HK\$133 million in RMB into the bank account designated by Fosun Partnership.

Within five PRC Business Days after completion of the Subscription Procedures (as defined below), the Target Company shall file the necessary applications to the relevant administration for industry and commerce in the PRC in relation to the change in holders of equity interest in the Target Company pursuant to the Acquisition (“**Equity Transfer Application**”). On the date of completion of the Equity Transfer Application, the Target Company shall convert into a limited liability company with sole member.

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### *(ii) Transfer of cash from Fosun Partnership to Fosun HK*

Within 10 days after the receipt of the Cash Consideration by Fosun Partnership, Fosun Partnership shall transfer an amount equivalent to the Cash Consideration to a bank account designated by Fosun HK (“**Cash Transfer**”). The Company shall be responsible for the differences arising from the conversion of currencies during the Cash Transfer.

### *(iii) The Subscription*

On the date of the Agreement, the Company and Fosun HK entered into the Subscription Agreement pursuant to which the Company shall issue and allot 38,000,000 H Shares to Fosun HK at the Subscription Consideration that is equivalent to the Cash Consideration (i.e. HK\$133,000,000). The Subscription Share Issue Price shall be HK\$3.50 per Subscription Share. The Subscription Agreement shall become effective when the Agreement becomes effective.

The Subscription will not result in a change of control of the Company. The Subscription Shares shall be issued and allotted under a specific mandate to be sought from the Independent Shareholders at the EGM and the Class Meetings. As advised by the PRC legal advisers of the Company, the Subscription requires approval from the China Securities Regulatory Commission (中國證券監督管理委員會, “**CSRC**”).

Application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares to be issued and allotted under the Agreement. Prior to completion of the Subscription, the Company shall not distribute its profits exceeding RMB120 million.

The Subscription Shares are not subject to any lock-up requirements.

### ***Cash Consideration:***

Pursuant to the Agreement, the consideration to be satisfied by the Company was the Cash Consideration. The Company intends to finance the Cash Consideration by internal resources and/or bank borrowings.

The Cash Consideration as well as the method of settlement of the Cash Consideration was arrived at after arm’s length negotiations among the Company, Fosun Partnership and Fosun HK taking into account the financial performance of the Target Group and its business prospects. In determining the Consideration, the Company took into account the price to earnings ratio of companies listed in Hong Kong which are engaged in similar business as the Target Group.



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### *Trading multiples analysis*

For the purpose of assessing the fairness and reasonableness of the Cash Consideration, we have performed a trading multiples analysis which includes the price to earnings ratio (“**PER**”) and the price to book ratio (“**PBR**”). We have searched for companies listed in Hong Kong which are engaged in similar line of business as the Target Group, being the manufacturing and sale of healthcare products, derived a majority of their turnover from such business from New Zealand based on their respective latest published financial information and recorded profit in its latest financial year (the “**Similar Business**”) and the majority operating region is New Zealand for comparison. To the best of our knowledge and endeavour, we could not find any company listed in Hong Kong meet our selection criteria. For this reason, we extended our criteria to include companies listed in Hong Kong which are engaged in the Similar Business and derived majority sales from the PRC, Hong Kong and/or New Zealand (the “**Target Market(s)**”), and as far as we are aware of, we found 7 Hong Kong listed companies which met the said criteria (the “**Market Comparables**”) and they are exhaustive as far as we are aware of. Shareholders should note that the businesses, operations and prospects of the Target Group are not exactly the same as the Market Comparables.

Set out below are the PERs and PBRs of the Market Comparables based on their closing prices as at the Last Trading Day, and their latest published financial information:

Company name (Stock code)	Principal business	Target Market(s)	Year end date	As at the date of Agreement	
				PER <i>(Note 1)</i>	PBR <i>(Note 1)</i>
CK Life Sciences Int’l., (Holdings) Inc. (775)	Research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products as well as investment in various financial and investment products	The PRC, Hong Kong, Australia and New Zealand	31 December 2015	23.25	1.44
Wai Yuen Tong Medicine Holdings Limited (897)	Production and sales of traditional Chinese and Western pharmaceutical products, health food and personal care products and property investment	Hong Kong	31 March 2015	2.51	0.13
Besunyen Holdings Company Limited (926)	Manufacture and sales of therapeutic tea products	The PRC	31 December 2015	11.48	0.81

## LETTER FROM GRAM CAPITAL

Company name (Stock code)	Principal business	Target Market(s)	Year end date	As at the date of Agreement	
				PER (Note 1)	PBR (Note 1)
RM Group Holdings Limited (932)	Formulation, marketing, sales and distribution of health supplements and beauty supplements and products	Hong Kong	31 March 2015	18.18	3.19
Real Nutraceutical Group Limited (2010)	Manufacture and sales of health and nutritional supplements and pharmaceutical products	The PRC	31 December 2015	2.44	0.17
Tong Ren Tang Technologies Company Limited (1666)	Manufacturing and sales of Chinese Patent Medicine in the forms of granules, pills, tablets and soft capsules	The PRC	31 December 2015	17.78	2.56
Beijing Tong Ren Tang Chinese Medicine Company Limited (8138)	Manufacturing, retail and wholesale of Chinese medicine products and healthcare products; and provision of Chinese medical consultation and treatments	Hong Kong	31 December 2015	18.08	3.55
<b>Maximum</b>				23.25	3.55
<b>Minimum</b>				2.44	0.13
<b>Average</b>				13.39	1.69
<b>The Acquisition</b>		New Zealand		40.14/ 14.60 (Note 2)	2.13 (Note 3)

*Notes:*

1. The PERs of the Market Comparables were calculated based on their respective latest published annual results and the PBRs of the Market Comparables were calculated based on their respective latest published annual results or interim results or quarterly results.
2. The implied PER of the Acquisition which was calculated based on the Cash Consideration and 40% of the profit after tax of Target Group for the year ended 31 December 2015, for information purpose only, is 40.14 times, and the implied PER of the Acquisition which was calculated based on the Cash Consideration and 40% of the profit after tax of Good Health for the year ended 31 December 2015 is 14.60 times.
3. The implied PBR of the Acquisition was calculated based on the Cash Consideration and 40% of the net asset value of the Target Group as at 31 December 2015.

We understand from the Directors that the Target Company is an investment holding company and the profit of the Target Company was immaterial for the year ended 31 December 2015. The Target Company completed the acquisition of the entire issued share capital of Good Health on 29 May 2015. Good Health became a

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wholly-owned subsidiary of the Target Company and the profit and loss and assets and liabilities of the Good Health has been consolidated to the financial statements of the Target Company since then. In light of that the previous acquisition as aforementioned was completed on 29 May 2015 and the profit and loss and assets and liabilities of the Good Health has been consolidated to the financial statements of the Target Company since 29 May 2015, the Directors considered that it is inappropriate to calculate implied PER of the Acquisition based on the Cash Consideration and 40% of the profit after tax of the Target Group for the year ended 31 December 2015, which only consolidated profit of Good Health for the period between 29 May 2015 to 31 December 2015. Accordingly, the implied PER of the Acquisition was calculated based on the Cash Consideration and 40% of the profit after tax of Good Health for the year ended 31 December 2015.

We noticed from the above table that the PERs of the Market Comparables ranged from approximately 2.44 times to 23.25 times, with an average of approximately 13.39 times. Given that the implied PER of the Acquisition is approximately 14.60 times, the implied PER of the Acquisition is within the said PERs range of the Market Comparables.

For the PBRs analysis, we noticed from the above table that the PBRs of the Market Comparables ranged from approximately 0.13 times to 3.55 times, with an average of approximately 1.69 times. Given that the implied PBR of the Acquisition is approximately 2.13 times, the implied PBR of the Acquisition is within the said PBRs range of the Market Comparables.

### *Comparison with other similar acquisitions*

To assess the fairness and reasonableness of Cash Consideration, we have searched over the internet for acquisitions of the manufacturing and sale of healthcare products in 2015 by listed companies in Hong Kong and only identified, to the best of our knowledge and endeavour, the below acquisition for comparison.

With reference to the announcement of Biostime International Holdings Limited (Stock code: 1112) (“**Biostime**”) dated 17 September 2015 and the circular of Biostime dated 9 November 2015 (the “**Biostime Circular**”), an indirect subsidiary of Biostime, namely, Biostime Healthy Australia Investment Pty Ltd (“**Biostime Healthy**”) entered into an agreement (the “**Biostime Acquisition Agreement**”) on 17 September 2015 for the acquisition of 83% equity interest in Swisse Wellness Group Pty Ltd (“**Swisse Wellness**”) (the “**Biostime Acquisition**”).

As per Biostime Circular, Swisse Wellness and its subsidiaries (the “**Swisse Group**”) are principally engaged in research, marketing and distribution of vitamins, health supplements, skincare and sports nutrition products in Australia and New Zealand under the “**Swisse**” brand. The audited consolidated profit after taxation of the Swisse Group for the year ended 30 June 2015 was AUD73,750,000 (the “**Swisse 2015 Profit**”), while the audited consolidated net asset value of the Swisse Group as at 30 June 2015 was AUD20,595,000 (the “**Swisse 2015 NAV**”).

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Pursuant to the Biostime Acquisition Agreement, the consideration for acquisition of 83% equity interest in Swisse Wellness was AUD1,386 million (the “**Biostime Consideration**”). Based on the Biostime Consideration, the Swisse 2015 Profit and the Swisse 2015 NAV, the implied PER and PBR of the Biostime Acquisition was 22.64 times and 81.08 times respectively.

The implied PER and PBR of the Acquisition is below the implied PER and PBR of the Biostime Acquisition respectively.

Details of the Biostime Acquisition were set out in the Biostime Circular.

### *Previous Acquisition*

With reference to the Previous Circular, the Target Company entered into the Previous Agreement on 20 November 2014 for the acquisition of the entire equity interest in Good Health. As mentioned above, the Previous Acquisition was completed on 29 May 2015.

As per Previous Circular, the audited profit after tax of Good Health for the year ended 31 March 2014 was NZ\$1,121,000 (the “**GH 2014 Profit**”), while the audited net asset value of Good Health as at 30 September 2014 was NZ\$5,993,000 (the “**GH 2014 NAV**”).

Pursuant to the Previous Agreement, the consideration for acquisition of the entire equity interest in Good Health was NZ\$23,274,254 (the “**Previous Consideration**”). Based on the Previous Consideration, the GH 2014 Profit and the GH 2014 NAV, the implied PER and PBR of the Previous Acquisition was 20.76 times and 3.88 respectively.

The implied PER and PBR of the Acquisition are below the implied PER and PBR of the Previous Acquisition respectively.

Details of the Previous Acquisition were set out in the Previous Circular.

In light of that (i) the implied PER of the Acquisition is within the PERs range of the Market Comparables; (ii) the implied PBR of the Acquisition is within the PBRs range of the Market Comparables; and (iii) the implied PER and PBR of the Acquisition are below the implied PERs and PBRs of the Biostime Acquisition and the Previous Acquisition respectively, we are of the view that the Cash Consideration is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

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### *The Subscription Share Issue Price:*

The Subscription Share Issue Price represents:

- (a) a premium of approximately 17.45% over the closing price per Share of HK\$2.98 as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 27.74% (the “**Share Premium**”) over the closing price per Share of HK\$2.74 as quoted on the Stock Exchange on the date of the Agreement (the “**Last Trading Day**”);
- (c) a premium of approximately 32.58% over the closing price per Share of HK\$2.64 as quoted on the Stock Exchange on the trading day immediately preceding the Last Trading Day;
- (d) a premium of approximately 33.59% over the average closing price per Share of HK\$2.62 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day; and
- (e) a premium of approximately 36.13% over the average closing price per Share of HK\$2.571 as quoted on the Stock Exchange for the last 10 consecutive trading days immediately preceding the Last Trading Day.

The Subscription Share Issue Price was determined to be HK\$3.50 per Subscription Share based on arm’s length negotiation with Fosun Partnership and Fosun HK, and taking into account the issue price per domestic Share in the Issue of Domestic Shares, which was determined to be RMB2.87 (equivalent to approximately HK\$3.50) per domestic Share. As set out in the Hejian Circular, the Company and the vendors in the Previous Acquisition agreed that prior to completion of the Issue of Domestic Shares, the Company shall not conduct any issue and allotment of H Shares with a subscription price lower than HK\$3.50 per H Share.

Further, as advised by the Directors, the Company also took into account the closing price per Share between 1 September 2015 and the Last Trading Day (the “**Selected Period**”) which was relatively stable between HK\$2.42 and HK\$3.08.

The Subscription Shares will rank pari passu in all respects with the H Shares in issue as at the date of the issue and allotment of the Subscription Shares. The aggregate nominal value of the Subscription Shares is RMB3,800,000.

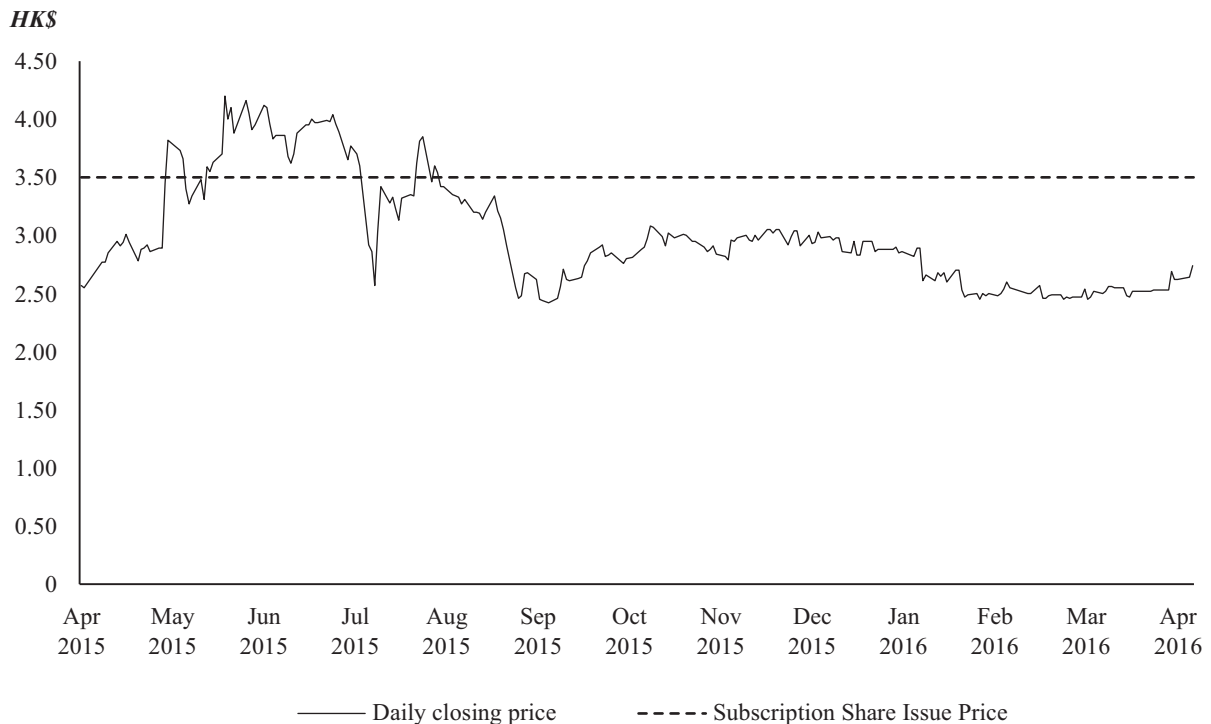
## LETTER FROM GRAM CAPITAL

To further assess the fairness and reasonableness of the Subscription Share Issue Price, we set out the following informative analyses for illustrative purpose:

### *Review on Share price*

The diagram demonstrating the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 1 April 2015 up to and including the Last Trading Day (the “**Review Period**”) (being a period of approximately one year prior to and including the Last Trading Day, which is commonly used for analysis purpose) are shown as follows:

### **Historical daily closing price per Share**



*Source: Bloomberg*

During the Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$4.16 per Share recorded on 26 May 2015 and HK\$2.42 per Share recorded on 4 September 2015 respectively. The closing prices of Shares surged from April 2015 and reached its peak at HK\$4.16 on 26 May 2015. After a one-month fluctuation, the closing prices of Shares showed a decreasing trend from late June 2015 to September 2015. From September 2015 to April 2016, the closing prices of Shares had been relatively stable.

As illustrated in the above diagram, the Subscription Share Issue Price of HK\$3.50 is within the range of the lowest and highest closing prices of the Shares as quoted on the Stock Exchange during the Review Period. Furthermore, we noted that

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the Subscription Share Issue Price (i) is higher than the closing prices of Shares during the whole Selected Period; and (ii) is higher than the closing prices of Shares in 204 days out of 248 trading days in the Review Period.

### *Comparison with other share subscription exercises*

As part of our analysis, we have also identified transactions regarding subscription of new shares during the period from 7 February 2016 to the Last Trading Day (being the two months period prior to and including to the Last Trading Day) as announced by companies listed on the Stock Exchange (the “**Share Comparables**”). To the best of our knowledge and as far as we are aware of, we found 11 transactions which met the said criteria. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Share Comparables and thus the Share Comparables are only used to demonstrate the recent (i.e. two months period prior to and including to the Last Trading Day) common market practice of Hong Kong listed companies in subscription of new shares. Summarised below is our relevant finding:

Company	Stock code	Date of announcement	Premium/(discount) of the subscription price over/(to) closing price per share on the date of announcement/agreement or the last trading day prior to the date of announcement/agreement in relation to the respective subscription of share %
China Optoelectronics Holding Group Co., Ltd.	1332	30 March 2016	(40.30)
FU JI Food and Catering Services Holdings Ltd.	1175	16 March 2016	Nil
CST Mining Group Ltd.	985	15 March 2016	19.05
Nickel Resources International Holdings Co. Ltd.	2889	7 March 2016	(23.11)
AGTech Holdings Ltd.	8279	4 March 2016	(82.52)
Netel Technology (Holdings) Ltd.	8256	4 March 2016	(9.09)
Hang Fat Ginseng Holdings Co. Ltd.	911	29 February 2016	(85.07)
Imagi International Holdings Ltd.	585	29 February 2016	(5.26)

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<b>Company</b>	<b>Stock code</b>	<b>Date of announcement</b>	<b>Premium/(discount) of the subscription price over/(to) closing price per share on the date of announcement/agreement or the last trading day prior to the date of announcement/agreement in relation to the respective subscription of share %</b>
Sino Credit Holdings Ltd.	628	19 February 2016	(55.49)
Varitronix International Ltd.	710	16 February 2016	(10.94)
Sun East Technology (Holdings) Ltd.	365	14 February 2016	(72.79)
		<b>Average</b>	(33.23)
		<b>Maximum</b>	19.05
		<b>Minimum</b>	(85.07)

In respect of the Share Comparables for the period from 6 February 2016 up to the Last Trading Day, the subscription price of the Share Comparables ranged from a discount of approximately 85.07% to a premium of approximately 19.05% to/over the respective closing prices of their shares on the date of announcement/agreement or the last trading day prior to the date of announcement/agreement in relation to the relevant share subscription. Accordingly, the Share Premium is above the aforementioned market ranges (the “**Subscription Market Ranges**”).

Having taken into account that (i) the Subscription Share Issue Price represents a premium of approximately 27.74% over the closing price per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) the Subscription Share Issue Price is within the range of the lowest and highest closing prices of the Shares as quoted on the Stock Exchange during the Review Period; (iii) the Subscription Share Issue Price is higher than (a) the closing prices of Shares during the whole Selected Period; and (b) the closing prices of Shares in 204 days out of 248 trading days in the Review Period; and (iv) the Share Premium is above the Subscription Market Ranges, we consider that the Subscription Share Issue Price is fair and reasonable so far as the Independent Shareholders are concerned.

**(3) Effect on shareholding structure of the Company**

As depicted by the table under the section headed “Effects on shareholding structure of the Company” of the Board Letter, the shareholding interests of the existing public Shareholders would be diluted by (i) approximately 1.18 percent point upon completion of the Subscription (without taking into account the Issue of Domestic Shares); and (ii) approximately 2.91 percent point upon completion of the Issue of Domestic Shares and the Subscription. Nonetheless, in view of (i) the reasons for and the possible benefits of



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the Agreement and transactions contemplated thereunder; and (ii) the terms of the Agreement being fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

#### **(4) Possible financial effects of the Transactions**

As confirmed by the Directors, after Completion, the Target Company will become a wholly-owned subsidiary of the Company. The financial results of the Target Company will continue to be consolidated into the financial results of the Company.

Based on the 2015 Annual Report, the consolidated net asset value (“NAV”) of the Group was approximately RMB715.71 million as at 31 December 2015. As confirmed by the Directors, there will be no material change on the NAV of the Group immediately upon the Completion.

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

### **RECOMMENDATION**

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions 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 resolution(s) to be proposed at the EGM and the Class Meetings to approve the Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in investment banking industry.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. SHARE CAPITAL OF THE COMPANY

Set out below are the authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Issue of Domestic Shares; (iii) immediately upon completion of the Subscription (without taking into account the Issue of Domestic Shares); and (iv) immediately upon completion of the Issue of Domestic Shares and the Subscription.

### (i) Share capital of the Company as at the Latest Practicable Date

<i>Issued and fully paid</i>		<i>RMB</i>
611,111,000	Domestic Shares	61,111,100
<u>227,058,000</u>	H Shares	<u>22,705,800</u>
<u>838,169,000</u>		<u>83,816,900</u>

### (ii) Share capital of the Company immediately upon completion of the Issue of Domestic Shares

<i>Issued and fully paid</i>		<i>RMB</i>
673,828,770	Domestic Shares	67,382,877
<u>227,058,000</u>	H Shares	<u>22,705,800</u>
<u>900,886,770</u>		<u>90,088,677</u>

### (iii) Share capital of the Company immediately upon completion of the Subscription (without taking into account the Issue of Domestic Shares)

<i>Issued and fully paid</i>		<i>RMB</i>
611,111,000	Domestic Shares	61,111,100
<u>265,058,000</u>	H Shares	<u>26,505,800</u>
<u>876,169,000</u>		<u>87,616,900</u>

## (iv) Share capital of the Company immediately upon completion of the Issue of Domestic Shares and the Subscription

<i>Issued and fully paid</i>		<i>RMB</i>
673,828,770	Domestic Shares	67,382,877
<u>265,058,000</u>	H Shares	<u>26,505,800</u>
<u>938,886,770</u>		<u>93,888,677</u>

## 3. DISCLOSURE OF INTERESTS

## Interests of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors, supervisors or senior management of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) set out in Appendix 10 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ supervisor	The Company/ name of associated corporation	Class of Shares held	Capacity/ nature of interest	Interest in Shares	Approximate percentage of issued share capital of the company/ associated corporation (Note 1)
Mr. Gui Pinghu	The Company	Domestic Shares	Beneficial owner	477,126,590 Shares	56.92%
	The Company	Domestic Shares	Interest of spouse (note 2)	52,965,000 Shares	6.32%
Ms. Zhang Yuan	The Company	Domestic Shares	Beneficial owner	6,599,550 Shares	0.79%
Ms. Xu Li	The Company	Domestic Shares	Beneficial owner	5,498,570 Shares	0.66%

Name of Director/ supervisor	The Company/ name of associated corporation	Class of Shares held	Capacity/ nature of interest	Interest in Shares	Approximate percentage of issued share capital of the company/ associated corporation (Note 1)
Ms. Zhu Feifei	The Company	Domestic Shares	Beneficial owner	659,340 Shares	0.08%
Ms. Yu Min	The Company	Domestic Shares	Beneficial owner	659,340 Shares	0.08%
Ms. Wu Xuemei	The Company	Domestic Shares	Beneficial owner	551,480 Shares	0.07%

*Notes:*

1. The calculation is based on the total number of 838,169,000 Shares in issue as at the Latest Practicable Date, including both H Shares and domestic Shares.
2. Mr. Gui Pinghu is the spouse of Ms. Wu Yanmei. Under the SFO, Mr. Gui Pinghu will be deemed to be interested in the same number of Shares in which Ms. Wu Yanmei is interested.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or supervisors or senior management of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### 4. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective close associates had any interests in other business, which competes or may compete, either directly or indirectly, with the business of the Group.

## 5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

The aggregate of the remuneration payable to and benefits in kind receivable by the Directors will not be varied in consequence of the Acquisition.

## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited financial statements of the Group were made up.

## 7. INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Enlarged Group; and
- (b) none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 8. QUALIFICATION AND CONSENTS OF EXPERT

- (a) The following sets out the qualifications of the expert who has given its opinions or advice or statements as contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

- (b) As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

- (c) As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2015 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.
- (d) As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:30 a.m. to 5:30 p.m. on any business days from the date of this circular up to and including 14 days (except public holidays) at the Company's principal place of business in Hong Kong situated at 40/F, Jardine House, 1 Connaught Place, Hong Kong:

- (a) the Agreement;
- (b) the Equity Transfer Agreement; and
- (c) the Subscription Agreement.

## **10. MISCELLANEOUS**

The English text of this circular shall prevail over its Chinese text.

## NOTICE OF EGM

# NANJING SINOLIFE UNITED COMPANY LIMITED\*

## 南京中生聯合股份有限公司

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

(Stock Code: 3332)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of NANJING SINOLIFE UNITED COMPANY LIMITED\* (the “**Company**”) will be held at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the People's Republic of China (the “**PRC**”) at 9:30 a.m. on Thursday, 21 July 2016 for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions which will be proposed as ordinary or special resolutions of the Company, where appropriate:

### ORDINARY RESOLUTION

#### 1. “**THAT**

- (a) the form and substance of the conditional agreement (“**Agreement**”) dated 6 April 2016 entered into among (i) the Company; (ii) 上海復星惟實一期股權投資基金合夥企業(有限合夥) (its unofficial English name being Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)) (“**Fosun Partnership**”); and (iii) Fosun Weishi (Hong Kong) Limited (“**Fosun HK**”) (a copy of which has been produced to the meeting and marked “**A**” and initialed by the chairman of the meeting for the purpose of identification), in relation to the acquisition of 40% equity interest in 上海惟翊投資管理有限公司 (its unofficial English name being Shanghai Weiyi Investment & Management Limited Company) (“**Target Company**”) from Fosun Partnership by the Company and the subscription by Fosun HK for 38,000,000 H shares of the Company at a subscription price of HK\$3.50 per subscription share, and all the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (b) any one of the directors (“**Directors**”) of the Company be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreement, or any of the transactions contemplated under the Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Agreement) as are, in the opinion of the Director, in the interests of the Company and its shareholders as a whole.”

\* For identification purposes only

## NOTICE OF EGM

### SPECIAL RESOLUTIONS

2. “**THAT** subject to and conditional upon the passing of the ordinary resolution numbered 1 as set out in this notice of EGM, the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot and issue and deal with the 38,000,000 H shares of the Company pursuant to the Agreement be and is hereby confirmed and approved.”
3. “**THAT** the articles of association of the Company be amended as follows:
  - (i) **Article 16** of the articles of association of the Company is proposed to be deleted in its entirety and replaced with the following:

“In May 2013, the Company upon its establishment issued 6,111,100 ordinary shares (at a par value of RMB1 each), representing 10% of the Company’s then total ordinary shares, to Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership.

As approved by the securities authorities of the State Council, the Company may issue not more than 234,370,000 overseas listed foreign invested shares at a par value of RMB0.1 each, all being ordinary shares. In 2014, the Company issued to the public 227,058,000 overseas foreign shares (including the over-allotted shares) which are listed on the Hong Kong Stock Exchange.

After completion of the first allotment of H shares of the Company in 2016, the share capital structure of the Company: there are a total of 938,886,770 ordinary shares, of which 477,126,590 shares are held by Gui Pinghu, one of the promoters, 52,965,000 shares are held by Wu Yanmei, one of the promoters, 143,737,180 shares are held by other holders of the domestic shares and 265,058,000 shares are held by the holders of overseas foreign listed shares.”

- (ii) **Article 19** of the articles of association of the Company is proposed to be deleted in its entirety and replaced with the following:

“The registered capital of the Company is RMB93,888,677.””



## NOTICE OF EGM

4. “**THAT** subject to the passing of resolution numbered 3 above, the adoption of an amended and restated articles of associations of the Company (incorporating the amendments stated in resolution numbered 3 above and all previous amendments to the existing articles of associations of the Company, a copy of which has been produced to this meeting and marked “**B**” and initialed by the chairman of this meeting for the purpose of identification) in substitution for and to the exclusion of the existing articles of associations of the Company be and is hereby approved.”

Yours faithfully,  
By order of the Board  
**Nanjing Sinolife United Company Limited**  
**Gui Pinghu**  
*Chairman*

Nanjing, the PRC, 3 May 2016

*Notes:*

1. Shareholders who intend to attend the EGM in person or by proxy should deposit the reply slip at the Company’s registered office at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, PRC at least 20 days before the above meeting, i.e. no later than Thursday, 30 June 2016.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxy or proxies to attend and vote on his behalf.
3. In order to be valid, the proxy form together with the notarised power of attorney and other authorisation documents, if any, must be lodged at the Company’s registered office at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, PRC (for holders of domestic shares) or the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H shares) at least 24 hours prior to the EGM for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time.

If the proxy is a legal person, his legal representative or any representative authorised by the board of directors or by other decision-making body shall attend the EGM on its behalf. If the shareholder is a recognised clearing house (or its agent), the shareholder may authorise one or more suitable persons to act as its representative at the above meeting; however, if more than one person are authorised, the proxy form shall clearly indicate the number and types of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual shareholders of the Company.

A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the above meeting.

4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 21 June 2016 to Thursday, 21 July 2016, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, holders of H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 June 2016.

## NOTICE OF EGM

5. Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the EGM and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands.
7. The form of proxy for use at the EGM is enclosed herewith.

*As at the date of this notice, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan, Ms. Xu Li and Ms. Zhu Feifei; the non-executive Director is Mr. Xu Chuntao; and the independent non-executive Directors are Mr. Jiang Fuxin, Ms. Feng Qing and Mr. Vincent Cheng.*

**NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES**

**NANJING SINOLIFE UNITED COMPANY LIMITED\***

**南京中生聯合股份有限公司**

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

**(Stock Code: 3332)**

**NOTICE IS HEREBY GIVEN** that a class meeting for holders of H shares (the “**H Shares Class Meeting**”) of NANJING SINOLIFE UNITED COMPANY LIMITED\* (the “**Company**”) will be held at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the People's Republic of China (the “**PRC**”) at 10:15 a.m. (or immediately after the extraordinary general meeting of the Company to be convened and held on the same date and at the same place) on Thursday, 21 July 2016 for the purposes of considering and, if thought fit, passing with or without modifications, the following ordinary or special resolution of the Company:

**ORDINARY RESOLUTION**

1. “**THAT**

- (a) the form and substance of the conditional agreement (“**Agreement**”) dated 6 April 2016 entered into among (i) the Company; (ii) 上海復星惟實一期股權投資基金合夥企業(有限合夥) (its unofficial English name being Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)) (“**Fosun Partnership**”); and (iii) Fosun Weishi (Hong Kong) Limited (“**Fosun HK**”) (a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification), in relation to the acquisition of 40% equity interest in 上海惟翊投資管理有限公司 (its unofficial English name being Shanghai Weiyi Investment & Management Limited Company) (“**Target Company**”) from Fosun Partnership by the Company and the subscription by Fosun HK or 38,000,000 H shares of the Company at a subscription price of HK\$3.50 per subscription share, and all the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (b) any one of the directors (“**Directors**”) of the Company be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreement, or any of the transactions contemplated under the Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Agreement) as are, in the opinion of the Director, in the interests of the Company and its shareholders as a whole.”

\* *For identification purposes only*

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

### SPECIAL RESOLUTION

2. “**THAT** subject to and conditional upon the passing of the ordinary resolution numbered 1 as set out in this notice of H Shares Class Meeting, the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot and issue and deal with the 38,000,000 H shares of the Company pursuant to the Agreement be and is hereby confirmed and approved.”

Yours faithfully,  
By order of the Board  
**Nanjing Sinolife United Company Limited**  
**Gui Pinghu**  
*Chairman*

Nanjing, the PRC, 3 May 2016

*Notes:*

1. Holders of H shares who intend to attend the H Shares Class Meeting in person or by proxy should deposit the reply slip at the Company’s registered office at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC at least 20 days before the H Shares Class Meeting, i.e. no later than Thursday, 30 June 2016.
2. Holders of H shares of the Company entitled to attend and vote at the H Shares Class Meeting is entitled to appoint one or more persons (whether such person is a shareholder of the Company or not) as his proxy or proxies to attend and vote on his behalf.
3. In order to be valid, the proxy form together with the notarised power of attorney and other authorisation documents, if any, must be lodged at the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at least 24 hours prior to the H Shares Class Meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time.

If the proxy is a legal person, his legal representative or any representative authorised by the board of directors or by other decision-making body shall attend the H Shares Class Meeting on its behalf. If the shareholder is a recognised clearing house (or its agent), the shareholder may authorise one or more suitable persons to act as its representative at the above meeting; however, if more than one person are authorised, the proxy form shall clearly indicate the number and types of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual shareholders of the Company.

A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the above meeting.

4. For determining the entitlement to attend and vote at the H Shares Class Meeting, the register of members of the Company will be closed from Tuesday, 21 June 2016 to Thursday, 21 July 2016, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the H Shares Class Meeting, holders of H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 June 2016.

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

5. Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the H Shares Class Meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands.
7. The form of proxy for use at the H Shares Class Meeting is enclosed herewith.

*As at the date of this notice, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan, Ms. Xu Li and Ms. Zhu Feifei; the non-executive Director is Mr. Xu Chuntao; and the independent non-executive Directors are Mr. Jiang Fuxin, Ms. Feng Qing and Mr. Vincent Cheng.*

**NANJING SINOLIFE UNITED COMPANY LIMITED\***

**南京中生聯合股份有限公司**

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

**(Stock Code: 3332)**

**NOTICE IS HEREBY GIVEN** that a class meeting for holders of domestic shares (the “**Domestic Shares Class Meeting**”) of NANJING SINOLIFE UNITED COMPANY LIMITED\* (the “**Company**”) will be held at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the People's Republic of China (the “**PRC**”) at 11:00 a.m. (or immediately after the class meeting for holders of H shares of the Company to be convened and held on the same date and at the same place) on Thursday, 21 July 2016 for the purposes of considering and, if thought fit, passing with or without modifications, the following ordinary or special resolution of the Company:

**ORDINARY RESOLUTION**

1. “**THAT**

- (a) the form and substance of the conditional agreement (“**Agreement**”) dated 6 April 2016 entered into among (i) the Company; (ii) 上海復星惟實一期股權投資基金合夥企業(有限合夥) (its unofficial English name being Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)) (“**Fosun Partnership**”); and (iii) Fosun Weishi (Hong Kong) Limited (“**Fosun HK**”) (a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification), in relation to the acquisition of 40% equity interest in 上海惟翊投資管理有限公司 (its unofficial English name being Shanghai Weiyi Investment & Management Limited Company) (“**Target Company**”) from Fosun Partnership by the Company and the subscription by Fosun HK for 38,000,000 H shares of the Company at a subscription price of HK\$3.50 per subscription share, and all the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (b) any one of the directors (“**Directors**”) of the Company be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreement, or any of the transactions contemplated under the Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Agreement) as are, in the opinion of the Director, in the interests of the Company and its shareholders as a whole.”

\* *For identification purposes only*

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

### SPECIAL RESOLUTION

2. “**THAT** subject to and conditional upon the passing of the ordinary resolution numbered 1 as set out in this notice of Domestic Shares Class Meeting, the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot and issue and deal with the 38,000,000 H shares of the Company pursuant to the Agreement be and is hereby confirmed and approved.”

Yours faithfully,  
By order of the Board  
**Nanjing Sinolife United Company Limited**  
**Gui Pinghu**  
*Chairman*

Nanjing, the PRC, 3 May 2016

*Notes:*

1. Holders of domestic shares who intend to attend the Domestic Shares Class Meeting in person or by proxy should deposit the reply slip at the Company’s registered office at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC at least 20 days before the Domestic Shares Class Meeting, i.e. no later than Thursday, 30 June 2016.
2. Holders of domestic shares of the Company entitled to attend and vote at the Domestic Shares Class Meeting is entitled to appoint one or more persons (whether such person is a shareholder of the Company or not) as his proxy or proxies to attend and vote on his behalf.
3. In order to be valid, the proxy form together with the notarised power of attorney and other authorisation documents, if any, must be lodged at the Company’s registered office at 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, the PRC at least 24 hours prior to the Domestic Shares Class Meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time.

If the proxy is a legal person, his legal representative or any representative authorised by the board of directors or by other decision-making body shall attend the Domestic Shares Class Meeting on its behalf. If the shareholder is a recognised clearing house (or its agent), the shareholder may authorise one or more suitable persons to act as its representative at the above meeting; however, if more than one person are authorised, the proxy form shall clearly indicate the number and types of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual shareholders of the Company.

A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the above meeting.

4. For determining the entitlement to attend and vote at the Domestic Shares Class Meeting, the register of members of the Company will be closed from Tuesday, 21 June 2016 to Thursday, 21 July 2016, both dates inclusive, during which period no transfer of shares will be registered. Holders of domestic shares whose names appear on the register of members of the Company on Monday, 20 June 2016 are entitled to attend the Domestic Shares Class Meeting.
5. Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the Domestic Shares Class Meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

6. As required under the Listing Rules, the above resolutions will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands.
7. The form of proxy for use at the Domestic Shares Class Meeting is enclosed herewith.

*As at the date of this notice, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan, Ms. Xu Li and Ms. Zhu Feifei; the non-executive Director is Mr. Xu Chuntao; and the independent non-executive Directors are Mr. Jiang Fuxin, Ms. Feng Qing and Mr. Vincent Cheng.*