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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) PROPOSED ISSUE OF A SHARES;**
- (2) PROPOSED SHARE CONSOLIDATION;**
- (3) PROPOSED AMENDMENTS TO THE ARTICLES;**
- (4) PROPOSED ADOPTION OF OR AMENDMENTS TO THE RULES OF PROCEDURES AND INTERNAL RULES; AND**
- (5) PROPOSED CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING**

PROPOSED ISSUE OF A SHARES

Reference is made to the announcement of the Company dated 10 April 2015. The Board is pleased to announce that at a meeting of the Board held on 20 April 2015, it was resolved that, subject to Shareholders' approval, the Company will (i) apply to the regulatory authorities in the PRC including but not limited to the CSRC for the issue and allotment of not more than 150,000,000 Unconsolidated A Shares or, subject to the completion of the proposed Share Consolidation, 15,000,000 Consolidated A Shares (subject to any adjustment resulting from any change to the issued share capital of the Company up to completion of the Issue of A Shares) to natural persons, legal persons and other institutional investors, who maintain A share accounts with the Shanghai Stock Exchange (except those who are prohibited from subscribing for A shares pursuant to the relevant PRC laws and regulations and other applicable regulatory requirements) according to the PRC laws and regulations and other regulatory requirements that the Company is required to comply with; and (ii) apply to the Shanghai Stock Exchange for the listing of, and permission to deal in such A Shares and the Domestic Shares.

The Issue of A Shares is subject to, among other things, (i) approval from the Shareholders at the EGM and separate Class Meetings; (ii) approval from the CSRC; and (iii) the approval of the Shanghai Stock Exchange as to the listing of, and permission to deal in, the A Shares and the Domestic Shares.

PROPOSED SHARE CONSOLIDATION

According to the PRC securities and market practice, domestic shares which are listed on the securities exchange in the PRC generally have a nominal value of RMB1.00 each. Considering the Issue of A Shares and such securities market practice in the PRC, the Company proposed to implement the Share Consolidation subject to certain terms and conditions prior to completion of the Issue of A Shares. The Share Consolidation is subject to, among other things, approval from the Shareholders by way of special resolution(s) at the EGM and separate Class Meetings.

PROPOSED AMENDMENTS TO THE ARTICLES

To facilitate the Issue of A Shares, certain amendments are proposed to be made to the Articles pursuant to the applicable laws and regulatory requirements. Amendments to the Articles are subject to the Shareholders' approval by way of special resolutions at the EGM. The proposed amendments to the Articles shall come into effect upon completion of the Issue of A Shares and obtaining the required approval or endorsement from or the registration with relevant regulatory authorities.

PROPOSED ADOPTION OF OR AMENDMENTS TO THE RULES OF PROCEDURES AND INTERNAL RULES

To facilitate the Issue of A Shares and as required by the relevant PRC laws and regulations and other applicable regulatory requirements, the Company proposed to adopt or amend certain Rules of Procedures and Internal Rules. The proposed adoption of or amendments to the Rules of Procedures and Internal Rules are subject to the Shareholders' approval by way of special resolutions at the EGM. The proposed adoption of or amendments to the Rules of Procedures and Internal Rules shall come into effect upon completion of the Issue of A Shares.

PROPOSED CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Board proposes the change in use of proceeds from the Global Offering. With reference to the section headed "Future plans and use of proceeds" in the Prospectus, the circular of the Company dated 19 December 2014 and the 2014 annual report of the Company, the 23% Net Proceeds is to be used for TV, print, radio and online advertising so as to enhance the nationwide brand awareness of the Zhongsheng and Cobayer brands of the Group. As at the date of this announcement, approximately RMB1.2 million (equivalent to approximately HK\$1.5 million) of the 23% Net Proceeds has been utilised. In order to increase the Group's flexibility in its financial and treasury management and to cope with the continuing development of other businesses of the Group, the Board has resolved to allocate approximately HK\$21 million out of the 23% Net Proceeds to the general working capital of the Group. After such change in use of proceeds from the Global Offering, approximately 10%, or HK\$43 million, of the proceeds from the Global Offering would be allocated to the general working capital of the Group.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Issue of A Shares; (ii) the Share Consolidation; (iii) the amendments to the Articles; (iv) the adoption of or amendments to the Rules of Procedures and Internal Rules; and (v) the change in use of proceeds from the Global Offering. The Issue of A Shares and the Share Consolidation will also be put forward to the Shareholders for approval at the respective Class Meetings.

A circular containing, among other things, further details of (i) the Issue of A Shares; (ii) the Share Consolidation; (iii) the proposed amendments to the Articles; (iv) the proposed adoption of or amendments to the Rules of Procedures and Internal Rules; (v) the change in use of proceeds from the Global Offering, as well as the notices of the EGM and the Class Meetings respectively, will be despatched to the Shareholders as soon as possible.

There is no assurance that the Issue of A Shares and the other matters mentioned in this announcement will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares, the Share Consolidation, the amendments to the Articles, and the adoption of or amendments to the Rules of Procedures and Internal Rules will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the Listing Rules.

(1) PROPOSED ISSUE OF A SHARES

The Board is pleased to announce that at a meeting of the Board held on 20 April 2015, it was resolved that, subject to Shareholders' approval, the Company will (i) apply to the regulatory authorities in the PRC including but not limited to the CSRC for the issue and allotment of not more than 150,000,000 Unconsolidated A Shares or, subject to the completion of the proposed Share Consolidation, 15,000,000 Consolidated A Shares (subject to any adjustment resulting from any change to the issued share capital of the Company up to completion of the Issue of A Shares) to natural persons, legal persons and other institutional investors, who maintain A share accounts with the Shanghai Stock Exchange (except those who are prohibited from subscribing for A shares pursuant to the relevant PRC laws and regulations and other applicable regulatory requirements) according to the PRC laws and regulations and other regulatory requirements that the Company is required to comply with; and (ii) apply to the Shanghai Stock Exchange for the listing of, and permission to deal in such A Shares and the Domestic Shares.

The Issue of A Shares is subject to, among other things, (i) approval from the Shareholders at the EGM and separate Class Meetings; (ii) approval from the CSRC; and (iii) the approval of the Shanghai Stock Exchange as to the listing of, and permission to deal in, the A Shares and the Domestic Shares.

Details of the Issue of A Shares

(i) Class and nominal value of new Shares to be issued

A Shares with a nominal value of RMB0.10 each or, subject to the implementation of the Share Consolidation, with a nominal value of RMB1.00 each in the share capital of the Company.

(ii) Number of A Shares to be issued

Not more than 150,000,000 Unconsolidated A Shares with a nominal value of RMB0.10 each or, subject to the implementation of the Share Consolidation, 15,000,000 Consolidated A Shares with a nominal value of RMB1.00 each (subject to any adjustment resulting from any change to the issued share capital of the Company up to completion of the Issue of A Shares), which represent:

- (1) approximately 24.55% of the aggregate Domestic Shares of the Company in issue as at the date of this announcement;
- (2) approximately 19.71% of the aggregate Domestic Shares of the Company in issue as enlarged by the Issue of A Shares;
- (3) approximately 17.90% of the entire issued share capital of the Company in issue as at the date of this announcement; and
- (4) approximately 15.18% of the entire issued share capital of the Company as enlarged by the Issue of A Shares.

The number of A Shares to be issued pursuant to the Issue of A Shares shall be adjusted upon any change to the issued share capital of the Company between the date on which the relevant resolutions approving the Issue of A Shares at the EGM and the Class Meetings are passed, up to completion of the Issue of A Shares, to the extent that the maximum number of A Shares to be issued shall represent approximately 15.18% of the entire issued capital of the Company as enlarged by the Issue of A Shares upon completion of the Issue of A Shares.

The final number of A Shares to be issued and the structure of such issue shall be subject to approval by the CSRC and other relevant regulatory authorities in the PRC, and subject to adjustment (if any) by the Board as authorised by the Shareholders at the EGM and the Class Meetings and within the range approved by the CSRC having regard to the relevant circumstances.

(iii) Basis for determination of the issue price

Subject to the approval of the CSRC for the Issue of A Shares, the issue price range of the A Shares will be determined on the basis of market conditions prevailing in the PRC securities market at the time of the Issue of A Shares by way of market consultation or any such other price determination method(s) as approved

by the CSRC. The final issue price range will be determined by the Board with reference to the net asset value of the Company and the results of market consultation.

The issue price and the amount to be raised from the Issue of A Shares cannot be ascertained as at the date of this announcement because the market consultation can only be conducted after all requisite approvals have been obtained.

(iv) Target subscribers

The target subscribers of the Issue of A Shares are natural persons, legal persons and other institutional investors recognised by the CSRC, who maintain A Share account with the Shanghai Stock Exchange (except those prohibited by PRC laws and regulations and other regulatory requirements to which the Company is subject to). If any of the aforesaid persons are connected persons of the Company (as defined under the Listing Rules), the Company will take every reasonable step to comply with the relevant requirements under the Listing Rules or application laws and regulations in the PRC.

(v) Proposed stock exchange for listing

The Shanghai Stock Exchange

(vi) Method of issue

The issue will be conducted via placement through offline offering to investors subject to market consultation and online subscription of the issue price, or such other method(s) as approved by the CSRC.

(vii) Use of proceeds

The amount of fund to be raised from the Issue of A Shares cannot be confirmed as at the date of this announcement. However, the Company intends to apply the proceeds in the following projects with a total estimated investment amount of approximately RMB200 million (equivalent to approximately HK\$250 million):

- (1) development of projects in relation to E-business platforms, with an investment amount of approximately RMB100 million (equivalent to approximately HK\$125 million);
- (2) marketing and promotion of the E-business platforms, with an investment amount of RMB50 million (equivalent to approximately HK\$62.5 million); and
- (3) approximately RMB50 million to replenish the general working capital of the Company (equivalent to approximately HK\$62.5 million).

The above estimation was only preliminary and would be subject to modifications as the Company obtains further details regarding the projects. The Company may, in accordance with the prevailing circumstances and the progress of the above projects, utilise its internal resources or raise bank loans to finance the aforesaid

projects prior to completion of the Issue of A Shares, and to repay the funds raised and already applied by the Group in developing such projects upon completion of the Issue of A Shares.

In the event the proceeds from the Issue of A Shares are not sufficient to finance the above projects, the shortfall will be covered by internal resources or bank loans to be raised by the Group. In case the actual proceeds of the Issue of A Shares exceed the estimated investment amount mentioned above, the surplus will be used to replenish the general working capital of the Company.

(viii) Distribution plan of accumulated undistributed profits

Subject to the approval by the Shareholders at a general meeting of the Company and upon completion of the Issue of A Shares, all Shareholders (including holders of existing Domestic Shares and holders of existing H Shares) shall be entitled to the undistributed profits of the Company accumulated up to completion of the Issue of A Shares. Holders of A Shares shall not be entitled to any dividend declared irrespective whether the record date of such dividend declaration is before or after completion of the Issue of A Shares.

(ix) Validity of the resolution

The resolution for the Issue of A Shares will be effective for a period of 12 months commencing from the date on which it is considered and approved by the Shareholders in the EGM and the Class Meetings.

(x) Approval and authorisation by the Shareholders

The EGM and the Class Meetings will be held to consider and, if thought fit, to approve, among others, the Issue of A Shares.

It is further proposed that the Board be authorised in the EGM and the Class Meetings to take all such actions and to sign or execute all such documents or instruments for and on behalf of the Company as may be necessary or expedient and make arrangements for all specific matters relating to, in connection with, or to effect, the Issue of A Shares, in accordance with the relevant requirements of the CSRC, the Stock Exchange and the Shanghai Stock Exchange. The authorisation proposed to be granted to the Board shall include without limitation:

- (1) to have full and total authority to determine and effect the Issue of A Shares and the listing of A Shares and Domestic Shares, including but not limited to determining the timing of issue, the number of A Shares to be issued, the issue price and its determination mechanism, the structure of the issue, the target subscribers of the A Shares, the method of issue and other related application procedures and formalities pursuant to the resolutions in relation to the Issue of A Shares and the listing of A Shares and Domestic Shares as approved by the Shareholders at the EGM and the Class Meetings, and subject to the relevant requirements under the relevant rules and regulations and the relevant securities rules in the PRC market;

- (2) to deal with all filing and application matters relating to or in connection with the Issue of A Shares and the listing of A Shares and Domestic Shares, including but not limited to the application for approvals, registration, filing with, seeking licenses and consents from relevant governmental and regulatory authorities, stock exchanges and securities clearing institutions; to sign, execute, amend and complete all agreements, contracts or necessary documents relating to the Issue of A Shares and the listing of A Shares and Domestic Shares (including but not limited to the offering circular, prospectus, sponsor agreement, underwriting agreement, listing agreement, all types of announcements and notices to the Shareholders);
- (3) to adjust and amend the proposal for the Issue of A Shares and the listing of A Shares and Domestic Shares according to the implementation of such proposals, market conditions, policies adjustments and comments from governmental and regulatory authorities, and to deal with matters relating to the Issue of A Shares and the listing of A Shares and Domestic Shares pursuant to such new policies if there shall be any change to the relevant policies in the PRC relating to issue of new shares;
- (4) to make necessary or appropriate adoption of and amendments to the relevant provisions of the Articles, the Rules of Procedures and the Internal Rules relating to, in connection with the listing of A Shares and Domestic Shares, and to deal with the application for approval, and the change of business registration, the filing and registration with relevant governmental authorities;
- (5) to make necessary or appropriate adoption of and amendments to the Articles, the Rules of Procedures and the Internal Rules in the event they conflict with the regulatory rules or documents promulgated by the CSRC and/or the relevant stock exchange, or in accordance with the comments from the CSRC and/or the relevant stock exchange;
- (6) to deal with all matters relating to the listing of A Shares and Domestic Shares on the relevant stock exchange;
- (7) to deal with all matters in relation to the application or the use of net proceeds from the Issue of A Shares subject to the approval of the CSRC, including but not limited to, utilising the internal resources of the Company or raise bank loans to finance its projects prior to completion of the Issue of A Shares, and to repay the funds raised and already applied by the Group in developing such projects upon completion of the Issue of A Shares; adjusting and amending related matters according to the prevailing circumstances and comments from relevant governmental authorities in the course of implementation in financing and investing in the projects, including but not limited to adjusting the budget for each project already included in the scope of investment by application of proceeds (including adjusting the number of projects), the subject, progress and means of implementation, etc.; confirming the specific account(s) for the proceeds from the Issue of A Shares; implementing the application of the proceeds after completion of the Issue of A Shares and the listing of A Shares and Domestic Shares; financing the projects with internal resources or bank

loans in the event the proceeds from the Issue of A Shares is not sufficient to finance the projects; and to apply any surplus to replenish the general working capital of the Group;

- (8) to engage relevant intermediaries and to liaise and agree on their respective remuneration; and
- (9) to process all related matters in connection with the Issue of A Shares, take all such actions as may be necessary or expedient and to determine and make arrangements for all specific matters relating to or in connection with the Issue of A Shares as permitted by the relevant laws and regulations.

The above authorisation, if approved by the Shareholders at the EGM and the Class Meetings, shall be effective for a period of 12 months commencing from the date on which such approval is obtained.

It should be noted that the Issue of A Shares, upon approval by the Shareholders by way of special resolution at the EGM and the Class Meetings, is still subject to approvals by the CSRC and other relevant regulatory authorities. In addition, the examination and consent of the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares and the Domestic Shares on the Shanghai Stock Exchange is also required. The approval in respect of the Issue of A Shares, if obtained from the Shareholders at the EGM and the Class Meetings, shall be effective for a period of 12 months commencing from the date on which such approval is obtained.

(xi) Application to the CSRC and the Shanghai Stock Exchange

Application to the CSRC for the Issue of A Shares will be made as soon as applicable after the approval of the Issue of A Shares by the Shareholders at the EGM and the Class Meetings, respectively.

Upon obtaining the approval of the CSRC, the Company will apply to the Shanghai Stock Exchange for the listing of, and dealings in the A Shares and Domestic Shares on the Shanghai Stock Exchange.

(xii) Completion of Issue of A Shares

Although it is the intention of the Company to conduct the Issue of A Shares as soon as possible after all relevant approvals are obtained, the exact timing and structure of the Issue of A Shares will depend on the requirements of the relevant laws and regulations in the PRC, market conditions, etc..

Reasons for the Issue of A Shares

The Directors believe that the Issue of A Shares will further broaden the Company's funding channels, and thereby improve the Company's capital structure and its debt financing capacity. In addition, the Issue of A Shares will provide the Company with financial resources for the specific needs as stipulated in the paragraph headed "Use of proceeds" above. The Directors also believe that the Issue of A Shares will enhance the

corporate image of the Company, and is beneficial to the long term development of the Group. The Directors consider that the Issue of A Shares is in the interests of the Group and the Shareholders as a whole.

(2) PROPOSED SHARE CONSOLIDATION

According to the PRC securities and market practice, domestic shares which are listed on the securities exchange in the PRC generally have a nominal value of RMB1.00 each. Considering the Issue of A Shares and such securities market practice in the PRC, the Company proposed to implement the Share Consolidation subject to certain terms and conditions prior to the completion of the Issue of A Shares. The Share Consolidation is subject to, among other things, approval from the Shareholders by way of special resolution(s) at the EGM and separate Class Meetings.

Share Consolidation

As at the date of this announcement, the Company has a total registered capital of RMB83,816,900, comprising 611,111,000 Unconsolidated Domestic Shares and 227,058,000 Unconsolidated H Shares with a nominal value of RMB0.10 each for each of the Unconsolidated Domestic Shares and Unconsolidated H Shares, all of which are issued and fully paid.

Assuming no other Shares will be issued prior to the effective date of the Share Consolidation, the registered share capital of the Company shall remain unchanged at RMB83,816,900, but there shall be 61,111,100 Consolidated Domestic Shares and 22,705,800 Consolidated H Shares respectively.

As at the date of this announcement, the Company has not issued any option, warrants, convertible notes, derivatives or other securities convertible into or exchangeable for Shares.

Effect of the Share Consolidation

The rights attaching to the Consolidated Shares will not be affected by the Share Consolidation. Notwithstanding the relevant expenses arising from the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the interest of the Shareholders. The Share Consolidation will not have any adverse effect on the financial position of the Group.

Application for listing

Upon completion of the Share Consolidation, an application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consolidated H Shares.

Shareholders' Approval

The EGM and the Class Meetings will be held to consider and, if thought fit, to approve, among other matters, the Share Consolidation and to authorise the Board to:

- (i) determine and implement at its discretion and with full authority the proposed Share Consolidation, including but not limited to the specific timing of the Share Consolidation, the issue of the relevant announcements, the application for the listing of, and permission to deal in, the Consolidated H Shares;
- (ii) determine the board lot size for trading in the Consolidated H Shares in accordance with the requirements of the relevant authorities and the Company's own situation;
- (iii) amend the Articles as a result of the implementation of the Share Consolidation and submit the amended Articles to the relevant authorities of the PRC and Hong Kong for approval, filing or registration; and
- (iv) carry out such procedures, take such other actions and execute such documents as are in its discretion necessary and appropriate to effect and complete the proposed Share Consolidation.

The approval and authorisation of the Share Consolidation shall be valid within 12 months commencing from the date on which such approval and authorisation are granted by Shareholders at the EGM and the Class Meetings.

Conditions for the Share Consolidation

The Share Consolidation is conditional upon, among other matters;

- (i) the passing of the special resolutions by Shareholders at the EGM and the Class Meetings approving the Share Consolidation;
- (ii) the passing of the relevant Board resolution(s) to approve the implementation of the Share Consolidation pursuant to the authorisation granted by the Shareholders at the EGM and the Class Meetings; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated H Shares by the Stock Exchange.

Expected effective date of the Share Consolidation

The Share Consolidation is subject to the above conditions and completion of all procedures prior to the lodgment of the application to the CSRC and other relevant PRC authorities for approval of the Issue of A Shares. As at the date of this announcement, the Company is not able to ascertain the exact date of the lodgment of such application to the CSRC and other relevant PRC authorities in relation to the approval for the Issue of A Shares. As such, the effective date of the Share Consolidation cannot be determined as at the date of this announcement.

Details of the Share Consolidation, including the expected timetable with regard to the parallel trading arrangement, the free exchange of Consolidated Share certificates and other matters in relation to the Share Consolidation will be set out in the circular to be despatched to the Shareholders.

Effects of the Issue of A Shares on Shareholding Structure of the Company

Assuming that the Share Consolidation is effected and that a total of 15,000,000 A Shares will be issued under the Issue of A Shares (subject to any adjustment resulting from any change to the issued share capital of the Company up to completion of the Issue of A Shares), the expected shareholding structure of the Company as at the date of this announcement and immediately after completion of the Issue of A Shares is set out as follow:

	As at the date of this announcement		Immediately after completion of the Share Consolidation but prior to completion of the Issue of A Shares		Immediately after completion of the Issue of A Shares	
	<i>Number of Shares with a nominal value of RMB0.10 each</i>	<i>%</i>	<i>Number of Consolidated Shares with a nominal value of RMB1.00 each</i>	<i>%</i>	<i>Number of Consolidated Shares with a nominal value of RMB1.00 each</i>	<i>%</i>
Total Domestic Shares	611,111,000	72.91	61,111,100	72.91	76,111,100	77.02
Existing Domestic Shares	611,111,000	72.91	61,111,100	72.91	61,111,100	61.84
A Shares to be issued	—	—	—	—	15,000,000	15.18
H Shares	<u>227,058,000</u>	<u>27.09</u>	<u>22,705,800</u>	<u>27.09</u>	<u>22,705,800</u>	<u>22.98</u>
Total	<u>838,169,000</u>	<u>100.00</u>	<u>83,816,900</u>	<u>100.00</u>	<u>98,816,900</u>	<u>100.00</u>

Note: The number of existing Domestic Shares will become A Shares upon completion of the Issue of A Shares and listing of A Shares.

(3) PROPOSED AMENDMENTS TO THE ARTICLES

To facilitate the Issue of A Shares, certain amendments are proposed to be made to the Articles pursuant to the applicable laws and regulatory requirements. Amendments to the Articles are subject to the Shareholders' approval by way of special resolutions at the EGM. The proposed amendments to the Articles shall come into effect upon completion of the proposed A Shares Issue and obtaining the required approval or endorsement from or the registration with relevant regulatory authorities.

The proposed amendments to the Articles will include changes in, inter alia, the following main areas in the Articles:

- (i) capital structure of the Company;
- (ii) restrictions in the transfer of the Shares or A Shares;
- (iii) situations in which the Company can redeem its Shares or A Shares;
- (iv) rights of the Shareholders in requesting the Company to institute legal proceedings against Directors or senior management who are in breach of any laws when performing their duties;
- (v) proceedings of the general meetings of the Shareholders;
- (vi) composition and powers of the Board;
- (vii) powers of the supervisory committee and the proceedings of its meetings;
- (viii) the Company's obligations in reporting financial results to the CSRC and the Shanghai Stock Exchange;
- (ix) conditions in the declaration and payment of dividends; and
- (x) other miscellaneous and corresponding changes.

The above list of the areas of changes in the Articles are not exhaustive and details regarding the proposed amendments to the Articles will be set out in the circular to be despatched to the Shareholders.

(4) PROPOSED ADOPTION OF OR AMENDMENTS TO THE RULES OF PROCEDURES AND INTERNAL RULES

To facilitate the Issue of A Shares and as required by the relevant PRC laws and regulations and other applicable regulatory requirements, the Company proposed to adopt or amend certain Rules of Procedures and Internal Rules. The proposed adoption of or amendments to the Rules of Procedures and Internal Rules are subject to the Shareholders' approval by way of special resolutions at the EGM. The proposed adoption of or amendments to the Rules of Procedures and Internal Rules shall come into effect upon completion of the Issue of A Shares. Details regarding the proposed adoption of or amendments to the Rules of Procedures and Internal Rules will be set out in the circular to be despatched to the Shareholders.

(5) PROPOSED CHANGE IN USE OF PROCEEDS FROM GLOBAL OFFERING

The Board proposes the change in use of proceeds from the Global Offering. With reference to the section headed "Future plans and use of proceeds" in the Prospectus, the circular of the Company dated 19 December 2014 and the 2014 annual report of the Company, the 23% Net Proceeds is to be used for TV, print, radio and online advertising so as to enhance the nationwide brand awareness of the Zhongsheng and Cobayer brands of the Group. As at the date of this announcement, approximately

RMB1.2 million (equivalent to approximately HK\$1.5 million) of the 23% Net Proceeds has been utilised. In order to increase the Group's flexibility in its financial and treasury management and to cope with the continuing development of other businesses of the Group, the Board has resolved to allocate approximately HK\$21 million out of the 23% Net Proceeds to the general working capital of the Group. After such change in use of proceeds from the Global Offering, approximately 10%, or HK\$43 million, of the proceeds from the Global Offering would be allocated to the general working capital of the Group.

The Board is of the view that there are no material changes in the nature of business objectives as set out in the Prospectus. The Board has considered the impact on the Group's business in relation to the proposed change in use of proceeds from the Global Offering, and believes that the change in the use of the 23% Net Proceeds is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, (i) the net proceeds of approximately RMB7.50 million (equivalent to approximately HK\$9.375 million) has been used on the acquisition of Good Health Products Limited (the "**Acquisition**"), details of which were set out in the circular of the Company dated 19 December 2014; (ii) the net proceeds of approximately RMB1.2 million (equivalent to approximately HK\$1.5 million) has been used on the marketing and promotional activities so as to enhance the nationwide brand awareness of the Zhongsheng and Cobayer brands of the Group; (iii) the net proceeds of approximately RMB1.6 million (equivalent to approximately HK\$2 million) has been used to expand the sales network of the Group and expand into new regions; (iv) the net proceeds of approximately RMB19.46 million (equivalent to approximately HK\$24.325 million) has been used for general working capital; and (v) the remaining net proceeds of approximately RMB306.64 million (equivalent to approximately HK\$383.3 million) has been used deposited into banks, which are intended to be applied in the Acquisition and in accordance with the proposed application as set out in the section headed "Future plans and use of proceeds" of the Prospectus.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Issue of A Shares; (ii) the Share Consolidation; (iii) the amendments to the Articles; (iv) the adoption of or amendments to the Rules of Procedures and Internal Rules; and (v) the change in use of proceeds from the Global Offering. The Issue of A Shares and the Share Consolidation will also be put forward to the Shareholders for approval at the respective Class Meetings.

A circular containing, among other things, further details of (i) the Issue of A Shares; (ii) the Share Consolidation; (iii) the proposed amendments to the Articles; (iv) the proposed adoption of or amendments to the Rules of Procedures and Internal Rules; (v) the change in use of proceeds from the Global Offering, as well as the notices of the EGM and the Class Meetings respectively, will be despatched to the Shareholders as soon as possible.

There is no assurance that the Issue of A Shares and the other matters mentioned in this announcement will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares, the

Share Consolidation, the amendments to the Articles, and the adoption of or amendments to the Rules of Procedures and Internal Rules will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the Listing Rules.

DEFINITIONS

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

“A Share(s)”	the Unconsolidated A Share(s), or once the Share Consolidation becomes effective, the Consolidated A Share(s)
“Articles”	the articles of association of the Company, as amended from time to time
“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
“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 Stock Exchange
“Consolidated A Share(s)”	the domestic share(s) of the Company with a nominal value of RMB1.00 each which are proposed to be issued by the Company pursuant to the Issue of A Shares once the Share Consolidation becomes effective
“Consolidated Domestic Share(s)”	ordinary domestic share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company once the Share Consolidation becomes effective which are subscribed for in RMB
“Consolidated H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company once the Share Consolidated becomes effective which are listed on the Stock Exchange and are subscribed for and traded in Hong Kong Dollars
“Consolidated Share(s)”	the Consolidated Domestic Share(s) and the Consolidated H Share(s)

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the Unconsolidated Domestic Share(s), or once the Share Consolidation becomes effective, the Consolidated Domestic Share(s)
“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, the Issue of A Shares, the Share Consolidation, the amendments to the Articles, the adoption of or amendments to the Rules of Procedures and Internal Rules, and the change in use of proceeds from the Global Offering
“Global Offering”	the initial public offering and international offering of the H Shares of the Company, details of which are set out in the Prospectus, together with the issue of the over-allotment shares, details of which are set out in the announcement of the Company dated 29 January 2014
“Group”	collectively, the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 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
“Internal Rules”	including (i) terms of reference for independent directors; (ii) management principles on external guarantee; (iii) management principles on connected transactions; (iv) management principles on external investment; (v) management principles on use of proceeds; and (vi) implementation rules of cumulative voting system of the Company

“Issue of A Shares”	the proposed issue and allotment of not more than 150,000,000 Unconsolidated A Shares or, subject to the implementation of the Share Consolidation, 15,000,000 Consolidated A Shares (subject to any adjustment resulting from any change to the issued share capital of the Company up to the completion of the Issue of A Shares) to natural persons, legal persons and other institutional investors, who maintain A share accounts with the Shanghai Stock Exchange (except those who are prohibited from subscribing for A shares pursuant to the relevant PRC laws and regulations and other applicable regulatory requirements) according to the PRC laws and regulations and other regulatory requirements that the Company is required to comply with
“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 announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus issued by the Company dated 31 December 2013
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures”	including (i) rules of procedure for shareholders’ meetings; (ii) rules of procedure for the board; and (iii) rules of procedure for the supervisory committee
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Share Consolidation”	the proposed consolidation of every 10 shares with a nominal value of RMB0.10 each in the issued or unissued share capital of the Company into one ordinary share with a nominal value of RMB1.00
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unconsolidated A Share(s)”	the domestic shares of the Company with a nominal value of RMB0.10 each before the Share Consolidation becomes effective and which are proposed to be issued by the Company pursuant to the Issue of A Shares

“Unconsolidated Domestic Share(s)”	ordinary domestic share(s) of the Company with a nominal value of RMB0.10 each in the share capital of the Company before the Share Consolidation becomes effective which are subscribed for in RMB
“Unconsolidated H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company before the Share Consolidated becomes effective which are listed on the Stock Exchange and are subscribed for and traded in Hong Kong Dollars
“%”	per cent
“23% Net Proceeds”	approximately 23%, or HK\$98 million, of the net proceeds from the Global Offering

By Order of the Board
Nanjing Sinolife United Company Limited
Gui Pinghu
Chairman

Nanjing, the People’s Republic of China, 20 April 2015

As of the date of this announcement, 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.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rates of RMB1.00 to HK\$1.25.

* *For identification purposes only*