

The information set forth in this appendix does not form part of the accountants' report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this Prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the accountants' report set forth in Appendix I to this Prospectus.

#### A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

For illustrative purposes only, the following unaudited pro forma statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is prepared to show the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to equity shareholders of our Company as of June 30, 2020 and is based on the audited consolidated net assets derived from the audited financial information of our Group as of June 30, 2020 as included in the Accountants' Report as set out in Appendix I to the Prospectus.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of June 30, 2020 or at any future date.

	Audited consolidated net tangible assets attributable to the equity shareholders of our Company as of June 30, 2020 <sup>(1)</sup>	Estimated net proceeds from the Global Offering <sup>(2)</sup> <i>(in millions of RMB)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company <sup>(3)</sup>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of our Company per Share RMB <sup>(4)</sup> HK\$ <sup>(5)</sup>	
Based on an Offer Price of HK\$12.1 per Share	1,561.2	2,654.3	4,215.5	1.62	1.83
Based on an Offer Price of HK\$13.7 per Share	1,561.2	3,023.3	4,584.5	1.76	1.99

*Notes:*

- (1) The audited consolidated net tangible assets of our Company attributable to equity shareholders of our Company as of June 30, 2020 have been calculated based on the audited consolidated total equity attributable to equity shareholders of our Company as of June 30, 2020 of RMB1,820.3 million less intangible assets and goodwill as of June 30, 2020 of RMB86.3 million and RMB172.8 million, respectively, as set out in Appendix I to this Prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the indicative offer prices of HK\$12.1 (being the minimum Offer Price) and HK\$13.7 (being the maximum Offer Price) per Share, respectively, after deduction of the estimated underwriting fees and other related expenses payable by our Company of RMB104.4 million and RMB32.3 million, respectively, payable by our Company (excluding listing expenses which have been expensed prior to June 30, 2020) and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option. The pro forma adjusted consolidated net tangible assets and the pro forma consolidated net tangible asset per Share would be increased if we decide not to pay such incentive fee.
- (3) No adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company to reflect our trading results or other transactions entered into subsequent to June 30, 2020.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per share is calculated based on 2,605,686,618 shares in issue immediately assuming the Global Offering have been completed on June 30, 2020 but taking no account of any shares which may be issued upon the exercise of the Over-allotment Option.
- (5) The estimated net proceeds from the Global Offering are converted into Renminbi at the rate of HK\$1.00 to RMB0.8852. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to Renminbi at that rate or at any other rate.

**B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE**

The following unaudited pro forma forecast earnings per Share have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2020. This unaudited pro forma forecast earnings per Share has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial results of the Group for the year ending December 31, 2020 or any future period.

**For the year ending December 31, 2020**

Forecast consolidated profit attributable to equity shareholders of the Company <sup>(1)</sup>	Not less than RMB480 million (equivalent to HK\$542 million) <sup>(3)</sup>
Unaudited pro forma forecast earnings per Share <sup>(2)</sup>	Not less than RMB0.18 (equivalent to HK\$0.21) <sup>(3)</sup>

*Notes:*

- (1) The forecast consolidated profit attributable to equity shareholders of the Company for the year ending December 31, 2020 is extracted from the section headed “Financial Information – Profit Forecast for the Year Ending December 31, 2020” in this prospectus. The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix III to this prospectus.
- (2) The calculation of the unaudited pro forma forecast earnings per Share for the year ending December 31, 2020 is based on the forecast consolidated profit attributable to equity shareholders of the Company for the year ending December 31, 2020, assuming the Global Offering had been completed on January 1, 2020 and a total of 2,605,686,618 Shares were in issue during the entire year, taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option.
- (3) The forecast consolidated profit attributable to the equity shareholders of the Company and unaudited pro forma forecast earnings per Share in RMB are converted to Hong Kong dollars at the rate of HK\$1.00 to RMB0.8852. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars at that rate or at any other rate.

*The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this prospectus.*



## **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

### **TO THE DIRECTORS OF SIMCERE PHARMACEUTICAL GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Simcere Pharmaceutical Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at June 30, 2020 and the unaudited pro forma forecast earnings per share for the year ending December 31, 2020 and related notes as set out in Part A and Part B of Appendix II to the prospectus dated October 13, 2020 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A and Part B of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at June 30, 2020 and the forecast earnings per share of the Company for the year ending December 31, 2020 as if the Global Offering had taken place at June 30, 2020 and January 1, 2020, respectively. As part of this process, information about the Group's financial position as at June 30, 2020 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus. Information about the Group's forecast of the consolidated profit attributable to the equity shareholders of the Company for the year ending December 31, 2020 (the "Profit Forecast") has been extracted by the Directors from the section headed "Financial Information" in the Prospectus on which a letter from us has been published as set out in Appendix III to the Prospectus.

### **Directors' Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical or forecast financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at June 30, 2020 or January 1, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

### **Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

### **KPMG**

*Certified Public Accountants*

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