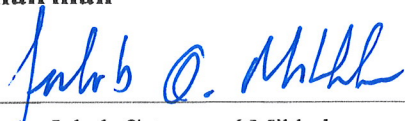


Lundbeck China Holding A/S
Central Business Registration No
33766939

Annual report 2015

The Annual General Meeting adopted the annual report on 19.05.2016

Chairman



Name: Jakob Østergaard Mikkelsen

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Entity details

Entity

Lundbeck China Holding A/S
Ottiliavej 9
DK-2500 Valby

Central Business Registration No: 33766939

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Staffan Schüberg, Chairman

Kim Andersen

Hong Jiang

Executive Board

Kim Andersen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

DK-0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Lundbeck China Holding A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19.05.2016

Executive Board

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Chief Executive Officer

Board of Directors

Staffan Schüberg
Chairman

Kim Andersen

Hong Jiang

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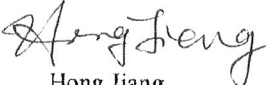
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Chief Executive Officer

Board of Directors

Staffan Schüberg
Chairman

Kim Andersen


Hong Jiang

Independent auditor's report

To the owner of Lundbeck China Holding A/S

Report on the financial statements

We have audited the financial statements of Lundbeck China Holding A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Independent auditor's report

Copenhagen, 19.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Martin Faarborg

State Authorised Public Accountant



Lars Andersen

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's primary activity is to own shares in subsidiaries and all activities that are considered to be related.

Development in activities and finances

The income statement for 2015 shows a loss of DKK 35 thousand which represents Management's expectations.

The Company's balance sheet at 31 December 2015 shows equity of DKK 39,782 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

According to section 112(1) of the Danish Financial Statements Act, the Entity has chosen not to prepare consolidated financial statements.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's administration.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments and interest income.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Lundbeckfond Invest A/S and its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other external expenses		(47)	(49)
Operating profit/loss		(47)	(49)
Other financial income		1	0
Other financial expenses		(1)	(1)
Profit/loss from ordinary activities before tax		(47)	(50)
Tax on profit/loss from ordinary activities	1	12	12
Profit/loss for the year		<u>(35)</u>	<u>(38)</u>
 Proposed distribution of profit/loss			
Retained earnings		(35)	(38)
		<u>(35)</u>	<u>(38)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Investments in group enterprises		39.431	39.431
Fixed asset investments	2	<u>39.431</u>	<u>39.431</u>
Fixed assets		<u>39.431</u>	<u>39.431</u>
Income tax receivable		11	13
Receivables		<u>11</u>	<u>13</u>
Cash		<u>440</u>	<u>423</u>
Current assets		<u>451</u>	<u>436</u>
Assets		<u><u>39.882</u></u>	<u><u>39.867</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		30.000	30.000
Share premium		10.000	10.000
Retained earnings		(218)	(183)
Equity		<u>39.782</u>	<u>39.817</u>
Other payables		100	50
Current liabilities other than provisions		<u>100</u>	<u>50</u>
Liabilities other than provisions		<u>100</u>	<u>50</u>
Equity and liabilities		<u><u>39.882</u></u>	<u><u>39.867</u></u>
Contingent liabilities	3		
Related parties with control	4		
Ownership	5		
Consolidation	6		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	30.000	10.000	(183)	39.817
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>(35)</u>	<u>(35)</u>
Equity end of year	<u>30.000</u>	<u>10.000</u>	<u>(218)</u>	<u>39.782</u>

Notes

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
1. Tax on ordinary profit/loss for the year		
Current tax	(12)	(12)
	<u>(12)</u>	<u>(12)</u>
2. Fixed asset investments		Invest- ments in group enterpri- ses DKK'000
Cost beginning of year		39.431
Cost end of year		<u>39.431</u>
Carrying amount end of year		<u>39.431</u>
	Registered in	Equity interest %
Subsidiaries:		
Lundbeck Pharma Ceuticals (Tianjin) Co., Ltd	China	100,00
Lundbeck Pharma Consulting (Shanghai) Co., Ltd	China	100,00

3. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement with Lundbeckfond Invest A/S. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity therefore has partial joint and secondary liability from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also partial joint and secondary liability for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. However, the secondary liability may maximum total an amount corresponding to the share capital of the Entity which is owned directly or indirectly by the ultimate parent.

4. Related parties with control

The following shareholder controls the Company:

- H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby

Notes

5. Ownership

The Entity has registered the following shareholders as holding more than 5% of the voting share rights or more than 5% of the nominal value of the contributed capital:

- H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby
- * - ~~Industrialiseringsfonden~~ for Udviklingslandene, Fredericiagade 27, DK-1310 København K

6. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Lundbeck Foundation, Scherfigsvej 7, DK-2100 Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby

* Investeringsfonden
for
Udviklingslandene
(IFU)

