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FOSUN PHARMA

复星医药

上海復星醫藥（集團）股份有限公司

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

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

(Stock Code: 02196)

CONNECTED TRANSACTIONS IN RELATION TO ACQUISITION OF INTERESTS IN THE TARGET FUNDS

THE TRANSFER AGREEMENTS

The Board is pleased to announce that on 6 January 2023, Ningbo Fuying, a subsidiary of the Company, and Fosun High Tech entered into the Transfer Agreements pursuant to which Ningbo Fuying will acquire from Fosun High Tech, at nil consideration, the Target Interests subscribed by Fosun High Tech which have yet been paid up, i.e. (1) RMB64 million in the capital of the Suzhou Fund (representing 6.40% of its total equity interest as at the date of this announcement) and (2) RMB17.50 million in the capital of the Tianjin Fund (representing 3.50% of its total equity interest as at the date of this announcement) respectively, and Ningbo Fuying will assume the subsequent capital contribution obligations underlying the Target Interests.

As the Target Interests have yet been paid up, the consideration for the transactions under the Transfer Agreements is determined to be RMB nil.

Upon completion of the transactions contemplated under the Transfer Agreements, the Group's equity interest in the Suzhou Fund and the Tianjin Fund will increase from 20.20% and 19.00% as at the date of this announcement to 26.60% and 22.50% respectively.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Fosun High Tech is the controlling shareholder of the Company, thus Fosun High Tech is a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. As such, the transactions contemplated under the Transfer Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

Given the relevant parties to the Transfer Agreements and the relevant parties to the Previous Connected Transactions are all associated with Fosun High Tech and/or its associates, the transactions contemplated under the Transfer Agreements shall be aggregated with the Previous Connected Transactions pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the applicable percentage ratios in respect of the transactions under the Transfer Agreements and the Previous Connected Transactions are, on an aggregated basis, more than 0.1% but all being less than 5%, the transactions contemplated under the Transfer Agreements are subject to the reporting and announcement requirements, but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

THE TRANSFER AGREEMENTS

The Board is pleased to announce that on 6 January 2023, Ningbo Fuying, a subsidiary of the Company, and Fosun High Tech entered into the Transfer Agreements pursuant to which Ningbo Fuying will acquire from Fosun High Tech, at nil consideration, the Target Interests subscribed by Fosun High Tech which have yet been paid up. The principal terms of the respective Transfer Agreements are summarized below:

Date

6 January 2023

Parties

- (1) Ningbo Fuying
- (2) Fosun High Tech

Subject Matter

Pursuant to the Transfer Agreements, Ningbo Fuying will acquire from Fosun High Tech, at nil consideration, the Target Interests subscribed by Fosun High Tech which have yet been paid up, i.e. (1) RMB64 million in the capital of the Suzhou Fund (representing 6.40% of its total equity interest as at the date of this announcement) and (2) RMB17.50 million in the capital of the Tianjin Fund (representing 3.50% of its total equity interest as at the date of this announcement), and Ningbo Fuying will assume the subsequent capital contribution obligations underlying the Target Interests.

As at the date of this announcement, no specific payment date has been set in relation to the paying up of the capital with respect to the Target Interests. The timing of such capital contribution will be ascertained by reference to the capital requirements of the respective Target Funds, and the capital contribution notice to be issued by the general partner of each Target Fund to the limited partners pursuant to the provisions of the relevant fund partnership agreement.

The Group's accounting treatment for each of the Target Funds will remain unchanged both before and after the transactions under the Transfer Agreements.

Consideration

As the Target Interests have yet been paid up, and taking into account the provisions under the Suzhou Fund Partnership Agreement and the Tianjin Fund Partnership Agreement that the distribution of profits made by the Target Funds shall be by reference to the ratio amongst the respective partners' aggregated capital contributions at the time of distribution, the consideration for the transactions under the Transfer Agreements is determined to be RMB nil upon arm's length negotiations between the parties to the Transfer Agreements.

Ownership structure of the Target Funds

Upon completion of the transactions contemplated under the Transfer Agreements, the Group's equity interest in the Suzhou Fund and the Tianjin Fund will increase from 20.20% and 19.00% as at the date of this announcement to 26.60% and 22.50% respectively.

Details of the respective ownership structure of the Target Funds are set out as follows:

Suzhou Fund

The Suzhou Fund has a total subscribed capital of RMB1,000 million, of which RMB773.50 million has been paid up as at the date of this announcement.

Unit : RMB million

Investors	Types	Before the completion of relevant transfer of the Target Interests		Immediately after the completion of relevant transfer of the Target Interests (estimated)	
		Contribution Amount	Share Percentage	Contribution Amount	Share Percentage
Suzhou Xingchen	General partner	10	1.00%	10	1.00%
Ningbo Fuying	Limited partner	192	19.20%	256	25.60%
Fosun High Tech	Limited partner	128	12.80%	64	6.40%
Suzhou Wuzhong Financial Holdings Group Co., Ltd.* (蘇州市吳中金融控股集團有限公司)	Limited partner	160	16.00%	160	16.00%
Suzhou Wuzhong Economic and Technological Development Zone Venture Capital Fund Management Center* (蘇州吳中經濟技術開發區創業投資引導基金管理中心)	Limited partner	80	8.00%	80	8.00%
Suzhou Wuzhong Economic and Technological Development Zone Venture Capital Fund Company Limited* (蘇州吳中經濟技術開發區創業投資引導基金有限公司)	Limited partner	80	8.00%	80	8.00%
Suzhou Industrial Park Biotech Development Company Limited* (蘇州工業園區生物產業發展有限公司)	Limited partner	100	10.00%	100	10.00%
Suzhou Sungen Holding Group Co., Ltd.* (蘇州新建元控股集團有限公司)	Limited partner	100	10.00%	100	10.00%
Ningbo Xinhun Enterprise Management Partnership (Limited Partnership)* (寧波鑫暉企業管理合夥企業(有限合夥))	Limited partner	50	5.00%	50	5.00%
Foshan Jindu Investment Company Limited* (佛山金都投資有限公司)	Limited partner	50	5.00%	50	5.00%
Hangzhou Fushi Investment Management Partnership (Limited Partnership)* (杭州賦實投資管理合夥企業(有限合夥))	Limited partner	50	5.00%	50	5.00%
Total	/	1,000	100.00%	1,000	100.00%

Tianjin Fund

The Tianjin Fund has a total subscribed capital of RMB500 million, of which RMB296.25 million has been paid up as at the date of this announcement.

Unit : RMB million

Investors	Types	Before the completion of relevant transfer of the Target Interests		Immediately after the completion of relevant transfer of the Target Interests (estimated)	
		Contribution Amount	Share Percentage	Contribution Amount	Share Percentage
Tianjin Xingyao	General partner	5	1.00%	5	1.00%
Ningbo Fuying	Limited partner	80	16.00%	97.5	19.50%
Tianjin Xinghai Commercial Management Partnership (Limited Partnership)* (天津星海商業管理合夥企業(有限合夥))	Limited partner	10	2.00%	10	2.00%
Fosun High Tech	Limited partner	70	14.00%	52.5	10.50%
Tianjin Haihe Industrial Fund Partnership (Limited Partnership)* (天津市海河產業基金合夥企業(有限合夥))	Limited partner	200	40.00%	200	40.00%
Tianjin Free Trade Zone Investment Holding Group Co., Ltd.* (天津保稅區投資控股集團有限公司)	Limited partner	135	27.00%	135	27.00%
Total	/	500	100.00%	500	100.00%

INFORMATION OF THE GROUP AND FOSUN HIGH TECH

The Group is a leading pharmaceutical and healthcare industry group in China and is principally engaged in pharmaceutical manufacturing, medical devices and medical diagnosis, healthcare services and pharmaceutical distribution and retail. Ningbo Fuying, a subsidiary of the Company, is a company established in the PRC with limited liability and is principally engaged in investment activities.

Fosun High Tech is a company established in the PRC with limited liability and is the controlling shareholder of the Company. It is a wholly-owned subsidiary of Fosun International, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00656), and with mission to provide high-quality products and services for families around the world in health, happiness, wealth and intelligent manufacturing segments.

INFORMATION ON EACH OF THE TARGET FUNDS

Suzhou Fund

Suzhou Fund was established in June 2020 and registered in Suzhou, Jiangsu. Its managing partner is Suzhou Xingchen, a subsidiary of the Company. The business scope of Suzhou Fund includes activities such as equity investment; start-up investment, engaging in private equity investment, investment management, asset management (business activities can only be conducted after the filing and registration with the Asset Management Association of China has been completed).

According to the management accounts of Suzhou Fund (unaudited), the total assets and the net assets attributable to partners of Suzhou Fund were RMB1,009.92 million and RMB1,009.92 million respectively as at 30 November 2022. The net profit/(loss) before and after taxation for the last two financial years of Suzhou Fund are as follows:

Unit: RMB million

	For the year ended 31 December 2021	For the period from the date of incorporation and up to 31 December 2020
Net profit/(loss) before taxation	24.44	14.44
Net profit/(loss) after taxation	24.44	14.44

Tianjin Fund

Tianjin Fund was established in June 2020 and registered in Tianjin. Its managing partner is Tianjin Xingyao, a subsidiary of the Company. The business scope of Tianjin Fund includes activities such as engaging in private equity investment, investment management, asset management (business activities can only be conducted after filing and registration with the Asset Management Association of China has been completed), and in investment activities with self-owned funds.

According to the management accounts of Tianjin Fund (unaudited), the total assets and the net assets attributable to partners of Tianjin Fund were RMB444.49 million and RMB444.40 million respectively as at 30 November 2022. The net profit/(loss) before and after taxation for the last two financial years of Tianjin Fund are as follows:

Unit: RMB million

	For the year ended 31 December 2021	For the period from the date of incorporation and up to 31 December 2020
Net profit/(loss) before taxation	12.88	8.23
Net profit/(loss) after taxation	12.88	8.23

The Suzhou Fund and the Tianjin Fund are parallel funds which invest jointly and externally subject to the fulfilment of the conditions stipulated in their respective decision-making procedures. Suzhou Fund and Tianjin Fund focus on cultivating and incubating biomedical-based general health projects which are at the initial stage and expansion stage with technological innovation and rapid growth potentials. As at the date of this announcement, they have invested in ten incubatee companies including Suzhou Hepa Thera Biopharmaceutical Co., Ltd.* (蘇州星曜坤澤生物製藥有限公司) (which focuses on the development and production of innovative liver disease drugs), Tianjin JuveStar Biotech Co., Ltd* (天津星魅生物科技有限公司) (which focuses on the introduction and development of medical-grade cosmetic products) and Suzhou Biomissile Biopharmaceutical Co., Ltd.* (蘇州博奧明賽生物製藥有限公司) (which focuses on the development and production of full human bispecific nanoantibody products). As of the date of this announcement, phase I clinical trial of HT-101 injection independently developed by Suzhou Hepa Thera Biopharmaceutical Co., Ltd.* (蘇州星曜坤澤生物製藥有限公司) for the treatment of chronic hepatitis B has commenced. The product of other incubated companies is still in the early developmental stage.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE TRANSFER AGREEMENTS

Each of the Target Funds is an equity investment fund initiated and established by the Group devoted to the cultivation and incubation of early- to mid-stage innovative companies in the field of general health (principal focus on biomedicine), aiming to enrich the reserve channels for the Group's innovative drugs and products. The acquisition of the Target Interests will further increase the Group's share of interests in the Target Funds.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Transfer Agreements are on normal commercial terms, are fair and reasonable, and the acquisition of interest in the Target Funds is in the ordinary course of the Group's investment business, and is in the interest of the Company and its Shareholders as a whole.

Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui, Mr. Chen Qiyu, Mr. Yao Fung, Mr. Xu Xiaoliang and Mr. Pan Donghui, being Directors who currently take up certain positions in Fosun International and/or its subsidiaries (other than the Group), abstained from voting on the resolution of the Board in respect of the entering into of the Transfer Agreements as referred to above. The remaining 5 Directors (including 4 independent non-executive Directors) participated in such voting and approved the same unanimously.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Fosun High Tech is the controlling shareholder of the Company, thus Fosun High Tech is a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. As such, the transactions contemplated under the Transfer Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

Given the relevant parties to the Transfer Agreements and the relevant parties to the Previous Connected Transactions are all associated with Fosun High Tech and/or its associates, the transactions contemplated under the Transfer Agreements shall be aggregated with the Previous Connected Transactions pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the applicable percentage ratios in respect of the transactions under the Transfer Agreements and the Previous Connected Transactions are, on an aggregated basis, more than 0.1% but all being less than 5%, the transactions contemplated under the Transfer Agreements are subject to the reporting and announcement requirements, but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

DEFINITIONS

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

“A Share(s)”	the domestic share(s) of the Company with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Board”	the board of Directors of the Company
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules

“controlling shareholder(s)”	shall have the meaning ascribed to it under the Hong Kong Listing Rules
“Dalian Fund Partnership Agreement”	the partnership agreement dated 7 January 2022 entered into among Dalian Fujian Xingweilai Venture Capital Investment Management Partnership (Limited Partnership)* (大連復健星未來創業投資管理合夥企業(有限合夥)), Ningbo Fuying, Fosun High Tech, Dalian Rongda Investment Co., Ltd.* (大連融達投資有限責任公司) and Dalian Lvshunkou District State-owned Assets Investment Group Co., Ltd.* (大連市旅順口區國有資本投資運營集團有限公司) in relation to the formation of Dalian Xingweilai Venture and Innovation Fund Partnership (Limited Partnership)* (大連星未來創業創新基金合夥企業(有限合夥)) (as supplemented by a supplemental agreement of even date)
“Director(s)”	director(s) of the Company
“Fosun Health”	Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Fosun High Tech”	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a company established in the PRC with limited liability, a subsidiary of Fosun International and the controlling shareholder of the Company
“Fosun International”	Fosun International Limited (復星國際有限公司), whose shares are listed and traded on the Hong Kong Stock Exchange (stock code: 00656)
“Futuo Equity Transfer Agreement”	the equity transfer agreement dated 29 July 2022 entered into between the Company and Fosun Health Holding in respect of the acquisition of 49% equity interest in Shanghai Futuo Biotech Development Co., Ltd.* (上海復拓生物科技發展有限公司) held by Fosun Health Holding
“Fuyun Health Capital Increase Agreement”	The capital increase agreement dated 12 August 2022 entered into between Fosun Health, Ningbo Fuji Medical Technology Co., Ltd.* (寧波復技醫療科技有限公司), Hainan Yunzhi Technology Partnership (Limited Partnership)* (海南雲志科技合夥企業(有限合夥)), Shanghai Fuyun Health Technology Co., Ltd.* (上海復雲健康科技有限公司) and Fosun High Tech in relation to, among other things, the capital increase in Shanghai Fuyun Health Technology Co., Ltd.* (上海復雲健康科技有限公司)

“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed share(s) of the Company with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ningbo Fuying”	Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), a subsidiary of the Company
“PRC”	the People’s Republic of China
“Previous Connected Transactions”	the transactions contemplated under the Dalian Fund Partnership Agreement, the Suzhou Xingsheng Yuanfeng Fund PA, Xingmai Capital Increase Agreement, Xingmai Reorganisation, Futuo Equity Transfer Agreement, Fuyun Health Capital Increase Agreement and Shanghai Zhuorui Capital Increase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Shanghai Zhuorui”	Shanghai Zhuorui Integrated Outpatient Limited Company* (上海卓瑞綜合門診部有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Shanghai Zhuorui Capital Increase Agreement”	the agreement entered into on 23 September 2022 among Fosun Health, Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司), Shanghai Xingshuangjian Investment Management Co., Ltd.* (上海星雙健投資管理有限公司), Shanghai Zhuoye Health Management Consulting Partnership (Limited Partnership)* (上海卓也健康管理諮詢合夥企業(有限合夥)) and Shanghai Zhuorui in relation to, among other things, the capital increase in Shanghai Zhuorui
“Suzhou Fund”	Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership)* (蘇州復健星熠創業投資合夥企業(有限合夥)), a limited partnership established in the PRC

“Suzhou Fund Partnership Agreement”	the limited partnership agreement of Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership)* (蘇州復健星熠創業投資合夥企業(有限合夥)) dated 18 May 2020, the supplemental agreement to the limited partnership agreement of Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership)* (蘇州復健星熠創業投資合夥企業(有限合夥)) dated 30 December 2020 and the supplemental agreement to the limited partnership agreement of Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership)* (蘇州復健星熠創業投資合夥企業(有限合夥)) dated 7 February 2021
“Suzhou Xingchen”	Suzhou Xingchen Venture Investment Partnership (Limited Partnership)* (蘇州星晨創業投資合夥企業(有限合夥)), a subsidiary of the Company
“Suzhou Xingsheng Yuanfeng Fund PA”	the partnership agreement dated 24 January 2022 entered into among Suzhou Xingsheng Fuying Corporate Management Partnership (Limited Partnership)* (蘇州星盛復盈企業管理合夥企業(有限合夥)), Ningbo Fuying, Fosun High Tech and Suzhou Tianshi Investment Guidance Fund (Limited Partnership)* (蘇州天使投資引導基金(有限合夥)) in relation to the formation of Suzhou Xingsheng Yuanfeng Venture and Investment Partnership (Limited Partnership)* (蘇州星盛園豐創業投資合夥企業(有限合夥))
“Target Funds”	the Suzhou Fund and/or the Tianjin Fund
“Target Interests”	the share of interests in the Target Funds subscribed and yet to be paid up by Fosun High Tech comprising (i) RMB64 million in the capital of the Suzhou Fund (representing 6.40% of its total equity interest as at the date of this announcement), and (ii) RMB17.50 million in the capital of the Tianjin Fund (representing 3.50% of its total equity interest as at the date of this announcement)
“Tianjin Fund”	Tianjin Fosun Haihe Healthcare Industry Fund Partnership (Limited Partnership)* (天津復星海河醫療健康產業基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Tianjin Fund Partnership Agreement”	the limited partnership agreement of Tianjin Fosun Haihe Healthcare Industry Fund Partnership (Limited Partnership)* (天津復星海河醫療健康產業基金合夥企業(有限合夥)) dated 18 May 2020
“Tianjin Xingyao”	Xingyao (Tianjin) Investment Management Partnership (Limited Partnership)* (星耀(天津)投資管理合夥企業(有限合夥)), a limited partnership established in the PRC and a subsidiary of the Company
“Transfer Agreements”	the two transfer agreements dated 6 January 2023 entered into between Ningbo Fuying and Fosun High Tech in relation to the acquisition by Ningbo Fuying of the Target Interests

“Xingmai Capital Increase Agreement”

the capital increase agreement dated 24 January 2022 entered into among Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), Shanghai Xingmai Information Technology Co., Ltd.* (上海杏脈信息科技有限公司), Yadong Zhijian Information Technology Co., Ltd.* (亞東智健信息科技有限公司) and Ningbo Meishan Bonded Port Area Fumai Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區復脈投資管理合夥企業(有限合夥)) in relation to the capital increase in Shanghai Xingmai Information Technology Co., Ltd.* (上海杏脈信息科技有限公司)

“Xingmai Reorganisation”

the equity transfer agreement dated 29 July 2022 entered into between Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司) and Yadong Zhijian Information Technology Co., Ltd.* (亞東智健信息科技有限公司) in relation to the acquisition of registered capital of RMB55 million in Shanghai Xingmai Information Technology Co., Ltd.* (上海杏脈信息科技有限公司) held by Yadong Zhijian Information Technology Co., Ltd.* (亞東智健信息科技有限公司), and the agreement dated 29 July 2022 entered into among Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), Gongqingcheng Qixin Equity Investment Partnership (Limited Partnership)* (共青城祺信股權投資合夥企業(有限合夥)), Shanghai Anting Industrial Development Company Limited* (上海安亭實業發展有限公司), Shanghai Xingmai Information Technology Co., Ltd.* (上海杏脈信息科技有限公司) and other parties in relation to, among other things, the capital increase in Shanghai Xingmai Information Technology Co., Ltd.* (上海杏脈信息科技有限公司)

“%”

per cent.

By order of the Board
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
Wu Yifang
Chairman

Shanghai, the PRC
6 January 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui and Mr. Wen Deyong; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang and Mr. Pan Donghui; and the independent non-executive directors of the Company are Ms. Li Ling, Mr. Tang Guliang, Mr. Wang Quandi and Mr. Yu Tze Shan Hailson.

* For identification purpose only