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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 TRANSACTION ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

#### **EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 30 October 2023, the Company and Fosun Health Holding entered into the Equity Transfer Agreement, pursuant to which Fosun Health Holding agreed to sell, and the Company agreed to purchase, 40% equity interest in Fujian Fund Management Company for a consideration of RMB22.2058 million to be settled in cash. Upon the completion of the Acquisition, equity interest in the Target held by the Company will increase from 60% to 100%.

#### **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Fosun Health Holding is a subsidiary of Fosun High Tech, the Company's controlling shareholder. As such, Fosun Health Holding is an associate of Fosun High Tech, and is a connected person of the Company. Therefore, the proposed transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

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

## **A. EQUITY TRANSFER AGREEMENT**

On 30 October 2023, the Company and Fosun Health Holding entered into the Equity Transfer Agreement, pursuant to which Fosun Health Holding agreed to sell, and the Company agreed to purchase, 40% equity interest in Fujian Fund Management Company for a consideration of RMB22.2058 million to be settled in cash. Upon the completion of the Acquisition, equity interest in the Target held by the Company will increase from 60% to 100%. The principal terms of the Equity Transfer Agreement are summarized below:

### **Date**

30 October 2023

### **Parties**

- (1) the Company
- (2) Fosun Health Holding

### **Asset to be acquired**

Pursuant to the Equity Transfer Agreement, Fosun Health Holding agreed to sell, and the Company agreed to purchase, 40% equity interest in Fujian Fund Management Company, representing registered capital of RMB20 million of Fujian Fund Management Company which has been fully paid-up by Fosun Health Holding with a total cost of RMB20 million as at the date of this announcement. Upon the completion of the Acquisition, equity interest in the Target held by the Company will increase from 60% to 100%.

### **Consideration and its basis of determination**

The main source of revenue of Fujian Fund Management Company from its principal business is fund management fees, and as at 30 September 2023, the cash and bank balance of Fujian Fund Management Company was approximately RMB72.95 million (all of which are bank deposits), representing 86.79% of its total asset. The consideration of the Acquisition is RMB22.2058 million, which was determined between the parties through arm's length negotiation with reference to the book value of the net asset of the Target of RMB55.5144 million as at 30 September 2023, based on the unaudited consolidated management accounts of the Target for the nine months ended 30 September 2023. Such consideration will be settled in cash by self-raised funds of the Company.

### **Payment arrangement**

Within 15 days following the execution of the Equity Transfer Agreement, the Company shall pay the consideration for the Acquisition in a lump sum to Fosun Health Holding.

## Closing

The closing date is the day when the industrial and commercial registration of the Acquisition is completed. The Company shall enjoy or assume the rights and obligations corresponding to the Target Equity pursuant to the requirements under the applicable articles of association of the Target and other relevant documents for the time being in force since the closing date.

## Other terms

The Equity Transfer Agreement is governed by the PRC laws. Any disputes arising out of, or in connection with, the implementation of the Equity Transfer Agreement shall be resolved by the parties through amicable negotiation, failing which it shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in Shanghai pursuant to the then effective arbitration rules thereof. The arbitral award shall be final.

The Equity Transfer Agreement shall take effect upon the execution and affixing with seal by all parties, and may be terminated by written consent of both parties before the closing date.

## B. INFORMATION ON THE TARGET

Fujian Fund Management Company was established in September 2019 and registered in Huangpu District, Shanghai. Its legal representative is Mr. Yao Fang\* (姚方). The business scope of Fujian Fund Management Company includes equity investment management, investment management and investment consultancy (projects subject to approval in accordance with the laws and business activities can only be conducted after receiving approval from the relevant departments).

The table below sets out the shareholding structure of the Target immediately before and immediately after the completion of the Acquisition:

| Shareholders         | Immediately before the completion of the Acquisition |                         | Immediately after the completion of the Acquisition |                         |
|----------------------|--|-------------------------|---|-------------------------|
|                      | Registered capital <sup>Note</sup><br>(RMB million)  | Shareholding percentage | Registered capital <sup>Note</sup><br>(RMB million) | Shareholding percentage |
| the Company          | 30   | 60%                     | 50  | 100%                    |
| Fosun Health Holding | <u>20</u>  | <u>40%</u>              | <u>—</u>  | <u>—</u>                |
| Total                | <u><u>50</u></u>                                     | <u><u>100%</u></u>      | <u><u>50</u></u>                                    | <u><u>100%</u></u>      |

*Note:* The registered capital has been fully paid-up as at 30 September 2023.

Set out below is the related audited financial information of the Target for the last two financial years:

|                                   | <b>For the year ended</b>   |                             |
|-----------------------------------|-----------------------------|-----------------------------|
|                                   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|                                   | <i>(RMB million)</i>        | <i>(RMB million)</i>        |
| Net profit/(loss) before taxation | 3.68                        | 3.90                        |
| Net profit/(loss) after taxation  | 3.68                        | 3.90                        |

According to the management accounts of the Target (consolidated<sup>Note</sup> and unaudited), as of 30 September 2023, the total assets and the total owners' equity of Fujian Fund Management Company were RMB84.05 million and RMB55.51million, respectively.

*Note:* The management accounts of the nine months ended 30 September 2023 of the Target were on a consolidated basis as a newly established subsidiary of the Target has started operation in 2023 and has been consolidated into the Target's accounts.

### **C. REASONS FOR AND THE BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

Before the completion of the Acquisition, as Fosun High Tech, the controlling shareholder of the Company, indirectly holds 40% equity interest in the Target, the Target is an associate of the Company pursuant to the Hong Kong Listing Rules, and transactions between the Target and the Group (excluding the Target and its subsidiaries) constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As at the date of this announcement, there are 7 funds of related industry established by the Group which are still in their investment period under the Target's management. With the continuous expansion of the scale of fund management business of the Target, the fund management fees to be incurred between the Target and the Group (excluding the Target and its subsidiaries) will keep increasing as well.

Upon the completion of the Acquisition, the equity interest in Fujian Fund Management Company held by the Company will increase from 60% to 100%, which will be conducive to reducing connected transaction, improving governance level and efficiency of decision-making.

Before and upon the completion of the Acquisition, Fujian Fund Management Company's financial results will remain consolidated into the consolidated financial statements of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable, in the ordinary course of the Group's business and in the interests of the Company and the Shareholders as a whole.

Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui, Mr. Chen Qiyu, Mr. Yao Fang, 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), have abstained from voting on the resolution of the Board in respect of the entering into of the Equity Transfer Agreement. The remaining 5 Directors (including 4 independent non-executive Directors) participated in the voting and approved unanimously.

## **D. INFORMATION ON THE GROUP AND THE PARTIES TO THE EQUITY TRANSFER AGREEMENT**

### **The Group**

The Group is a global innovation-driven pharmaceutical and healthcare industry group rooted in the PRC and principally engaged in pharmaceutical manufacturing, medical devices, medical diagnosis, healthcare services and pharmaceutical distribution and retail business.

### **Fosun Health Holding**

Fosun Health Holding, incorporated in the PRC in March 2014, is mainly engaged in health industry investment management, health management consultancy, elderly care investment management, business consultancy, market information consultancy and survey (not allowed to conduct social survey, social survey and research, public opinion survey and opinion poll), e-commerce (not allowed to conduct financial business) (For projects which require approval according to the law, its operation shall only commence after receiving approval from relevant authorities), and is a wholly-owned subsidiary of Fosun High Tech, the controlling shareholder of the Company. Fosun High Tech 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.

## **E. IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Fosun Health Holding is a subsidiary of Fosun High Tech, the Company's controlling shareholder. As such, Fosun Health Holding is an associate of Fosun High Tech, and is a connected person of the Company. Therefore, the proposed transactions contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

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

## DEFINITIONS

In this announcement, the following expressions have the following meaning unless the context otherwise specifies:

|   |   |
|---|---|
| “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   |
| “Acquisition”   | the proposed purchase of the Target Equity by the Company for a consideration of RMB22.2058 million in cash pursuant to the Equity Transfer Agreement   |
| “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)”                                     | has the meaning ascribed to it under the Hong Kong Listing Rules  |
| “controlling shareholder”                                 | has the meaning ascribed to it under the Hong Kong Listing Rules  |
| “Director(s)”   | director(s) of the Company  |
| “Equity Interest Transfer Agreements of the GPs”          | the two transfer agreements dated 21 July 2023 entered into between Fosun High Tech and the Company in relation to the acquisition from Fosun High Tech of the subscribed and paid-up capital of (1) RMB2.96 million of Suzhou Xingchen Venture Investment Partnership (Limited Partnership)* (蘇州星晨創業投資合夥企業(有限合夥)) and (2) RMB1.48 million of Xingyao (Tianjin) Investment Management Partnership (Limited Partnership)* (星耀(天津)投資管理合夥企業(有限合夥))                     |
| “Equity Interest Transfer Agreements of the Target Funds” | the two transfer agreements dated 21 July 2023 entered into between Fosun High Tech and Ningbo Fuying in relation to the acquisition from Fosun High Tech of the subscribed and paid-up capital of (1) RMB64.00 million 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)) and (2) RMB52.50 million 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)) |

|   |   |
|---|---|
| “Equity Transfer Agreement”                                 | the agreement dated 30 October 2023 entered between the Company and Fosun Health Holding in relation to the transfer of the Target Equity   |
| “Fosun Health Holding”                                      | Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司), a company established in the PRC with limited liability   |
| “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 wholly-owned subsidiary of Fosun International and a 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)  |
| “Fujian Fund Management Company Capital Increase Agreement” | the agreement dated 30 March 2023 entered into between the Company and Fosun Health Holding in respect of the capital increase in Fujian Fund Management Company  |
| “Fund Equity Interest 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 share of interests subscribed and yet to be paid up by Fosun High Tech comprising (1) RMB64 million in the capital of the 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)), and (2) RMB17.50 million in the capital of the 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)) |
| “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”   | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “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 company incorporated in the PRC with limited liability and a subsidiary of the Company  |
| “PRC”  | the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region  |
| “Previous Connected Transactions”                                  | the transactions contemplated under the Fund Equity Interest Transfer Agreements, Fujian Fund Management Company Capital Increase Agreement, Supplemental Agreement to the Nanjing Fund Partnership Agreement, Equity Interest Transfer Agreements of the Target Funds, Equity Interest Transfer Agreements of the GPs and the United Health Insurance Share Subscription Agreement   |
| “RMB”  | Renminbi, the lawful currency of the PRC  |
| “Shareholder(s)”   | holder(s) of the Share(s)   |
| “Share(s)”   | A Share(s) and H Share(s)   |
| “Supplemental Agreement to the Nanjing Fund Partnership Agreement” | the agreement dated 30 March 2023 entered into between Nanjing Fuxin Equity Investment Management Partnership (Limited Partnership)* (南京復鑫股權投資管理合夥企業(有限合夥)), Nanjing Industrial Development Fund Co., Ltd.* (南京市產業發展基金有限公司), Nanjing Yangtze River Innovation and Entrepreneur Investment Fund (Limited Partnership)* (南京揚子江創新創業投資基金(有限合夥)), Ningbo Fuying, Fosun High Tech, and Suzhou Loucheng International Development High and New Technology Industrial Investment Corporation (Limited Partnership)* (蘇州婁城國發高新技術產業投資企業(有限合夥)), in relation to, among other things, the capital reduction in Nanjing Xingjian Ruiying Equity Investment Partnership (Limited Partnership)* (南京星健睿贏股權投資合夥企業(有限合夥)) |
| “Target” or “Fujian Fund Management Company”                       | Shanghai Fujian Equity Investment Fund Management Co., Ltd.* (上海復健股權投資基金管理有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company, the equity interest of which is held as to 60% by the Company as at the date of this announcement  |
| “Target Equity”  | the 40% equity interest in the Target held by Fosun Health Holding as at the date of this announcement, representing registered and paid-up capital of RMB20 million in the Target  |



“United Health Insurance  
Share Subscription  
Agreement”

the share subscription agreement dated 19 October 2023 entered into between the Company, Guangzhou Nansha Technology Financial Holding Group Limited\* (廣州南沙科金控股集團有限公司) and Fosun United Health Insurance Company Limited\* (復星聯合健康保險股份有限公司) in relation to, among other things, the subscription of new shares in Fosun United Health Insurance Company Limited\* (復星聯合健康保險股份有限公司)

“%”

per cent

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

Shanghai, the PRC  
30 October 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 purposes only*