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)

CONTINUING CONNECTED TRANSACTIONS
(1) RENEWAL OF FRAMEWORK TENANCY AGREEMENTS
AND
(2) ENTERING INTO FRAMEWORK SALES AND PURCHASES AGREEMENT
AND
EXCEEDED ANNUAL CAP FOR A CONTINUING CONNECTED TRANSACTION

RENEWAL OF FRAMEWORK TENANCY AGREEMENTS

Lessee Framework Agreement

On 28 March 2017, Fosun High Tech and the Company entered into the Lessee Framework Agreement in relation to the tenancy renewal of the relevant Fosun High Tech Premises by the relevant members of the Group, as tenant, for a term of one year commencing from 1 January 2017 to 31 December 2017.

Lessor Framework Agreement

On 28 March 2017, the Company and Fosun High Tech entered into the Lessor Framework Agreement in relation to the lease renewal of the relevant Fosun Pharma Premises by the relevant members of the Group, as landlord, for a term of one year commencing from 1 January 2017 to 31 December 2017.

Hong Kong Listing Rules Implications

Fosun High Tech is the controlling shareholder of the Company and therefore a connected person of the Company under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions contemplated under the Framework Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio), as defined under the Hong Kong Listing Rules, for the continuing connected transactions under the Framework Tenancy Agreements is more than 0.1% but less than 5% on an annual basis, the Framework Tenancy Agreements are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

FRAMEWORK SALES AND PURCHASES AGREEMENT

On 28 March 2017, the Company and Chongqing Pharma entered into the Framework Sales and Purchases Agreement in respect of the supply of Sales Products and the purchase of Procurement Products for a term of one year commencing from 1 January 2017 to 31 December 2017.

Hong Kong Listing Rules Implications

Chongqing Pharma is a substantial shareholder of Yao Pharma, an indirect non-wholly owned subsidiary of the Company, and therefore Chongqing Pharma is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Hong Kong Listing Rules. As a result, the transactions contemplated under the Framework Sales and Purchases Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio) calculated in accordance with the Hong Kong Listing Rules for the continuing connected transactions under the Framework Sales and Purchases Agreement on an annual basis is more than 1% but less than 5%, and the transactions contemplated under the Framework Sales and Purchases Agreement are conducted on normal commercial terms, such transactions will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

EXCEEDED ANNUAL CAP OF A CONTINUING CONNECTED TRANSACTION

Reference is made to the Announcement in relation to, among other things, entering into the Framework Sales Agreement by the Company and Chongqing Pharma. It came to the Company's attention that the Actual Transaction Amount under the Framework Sales Agreement was approximately RMB294.51 million, which has slightly exceeded the transaction cap of RMB260 million under the Framework Sales Agreement.

As the Actual Transaction Amount exceeded the transaction cap, pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to re-comply with the reporting and announcement requirement under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio) calculated in accordance with the Hong Kong Listing Rules for the Actual Transaction Amount is more than 1% but less than 5%, the transactions under the Framework Sales Agreement is still only subject to reporting, annual review and announcement requirement and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

FRAMEWORK TENANCY AGREEMENTS

The Board announces that the Company and Fosun High Tech have agreed and entered into the Framework Tenancy Agreements on 28 March 2017 in relation to the lease renewal of the relevant Fosun Pharma Premises and Fosun High Tech Premises in accordance with the terms thereof.

Details of each of the Framework Tenancy Agreements are set out below.

A. Principal Terms

Lessee Framework Agreement

Date:	28 March 2017
Parties:	(1) Fosun High Tech; and (2) the Company
Fosun High Tech Premises:	the properties owned by Fosun High Tech and/or its subsidiaries as set out in each of the relevant Tenancy and Property Service Agreements
Term:	one year from 1 January 2017 to 31 December 2017 (both days inclusive)
Rate of monthly rental:	RMB195–RMB302 (inclusive) per sq. m.
Monthly property service fees:	RMB30 per sq. m.
Rental and property service fees cap:	RMB20 million for the financial year ending 31 December 2017

Fosun High Tech and/or its subsidiaries and the Company and/or its subsidiaries have entered/will enter into various Tenancy and Property Service Agreements for the lease of the relevant Fosun High Tech Premises, the terms and conditions thereof shall be in line with that of the Lessee Framework Agreement.

Lessor Framework Agreement

Date:	28 March 2017
Parties:	(1) the Company; and
	(2) Fosun High Tech
Fosun Pharma Premises:	the properties owned by Fosun Pharma and/or its subsidiaries as set out in each of the relevant Tenancy and Property Service Agreements
Term:	one year commencing from 1 January 2017 to 31 December 2017 (both days inclusive)
Rate of daily rentals and property service fees:	RMB2.80–RMB5.10 (inclusive) per sq. m.
Rental and property service fees cap:	RMB13 million for the financial year ending 31 December 2017

The Company and/or its subsidiaries and Fosun High Tech and/or its subsidiaries have entered/will enter into various Tenancy and Property Service Agreements for the lease of the relevant Fosun Pharma Premises. The terms and conditions thereof shall be in line with that of the Lessor Framework Agreement.

The rentals and property service fees for the respective Fosun High Tech Premises and Fosun Pharma Premises under the Framework Tenancy Agreements are determined after arm's-length negotiations between Fosun High Tech and the Company with reference to the prevailing market rates where the property locates at and the rentals and property service fees charged to other independent third parties by Fosun High Tech and the Company for other properties similar to Fosun High Tech Premises and Fosun Pharma Premises.

B. Aggregate Annual Cap under the Framework Tenancy Agreements

For the financial year ending 31 December 2017, the aggregate annual cap, being the maximum aggregate annual value as defined under the Listing Rules, for the respective rentals and property service fees to be charged by Fosun High Tech pursuant to the Lessee Framework Agreement of Fosun High Tech and its subsidiaries and the Group pursuant to the Lessor Framework Agreement and the existing leasing agreements will be approximately RMB33 million.

C. Information on the Parties to the Framework Tenancy Agreements

The Group, as a leading pharmaceutical and healthcare company in the PRC, is principally engaged in the manufacture and research and development of pharmaceutical products, provision of medical services, and distribution and retail of medical devices, medical diagnosis and pharmaceutical products.

Fosun High Tech is a controlling shareholder of the Company and a wholly-owned subsidiary of Fosun International. It is mainly engaged in the business activities of its parent company in mainland China, which include integrated finance (wealth) (insurance, investment, wealth management and innovative finance) and industrial operations (health, happiness, property development and sales and resources).

D. Hong Kong Listing Rules Implication

Fosun High Tech is the controlling shareholder of the Company and therefore a connected person of the Company under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions contemplated under the Framework Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio), as defined under the Hong Kong Listing Rules, for the continuing connected transactions under the Framework Tenancy Agreements is more than 0.1% but less than 5% on an annual basis, the Framework Tenancy Agreements are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

FRAMEWORK SALES AND PURCHASES AGREEMENT

The Board announces that the Company and Chongqing Pharma entered into the Framework Sales and Purchases Agreement in respect of the supply of Sales Products and the purchase of Procurement Products, and the principal particulars thereof are set out below:

A. Principal Terms under the Framework Sales and Purchases Agreement

Date:	28 March 2017
Parties:	(1) the Company; and
	(2) Chongqing Pharma
Supply of Sales Products:	Sales Products to be supplied by the Group to Chongqing Pharma Group as contemplated under the Framework Sales and Purchases Agreement (the "**Sales Transaction(s)**")

Pricing basis for supply of Sales Products:	Pursuant to the terms of the Framework Sales and Purchases Agreement, the relevant member(s) of the Group and the relevant member(s) of Chongqing Pharma Group will from time to time during the term of the Framework Sales and Purchases Agreement engage in discussions with a view to entering into the Sales Transaction(s) on terms mutually agreed between the parties. Once the terms have been agreed, the relevant member(s) of the Group and the relevant member(s) of Chongqing Pharma Group shall enter into a Sales Order to set out the detailed terms and conditions of the relevant Sales Transaction. The terms of each Sales Transaction, as evidenced by the relevant Sales Order, must comply with the terms of the Framework Sales and Purchases Agreement. In particular, any Sales Products to be supplied under any Sales Transaction must comply with the following basis: (a) on normal commercial terms comparable to other independent third party customer of the Group; (b) pricing determined on arm's-length negotiations by reference to the prevailing market prices; (c) the aggregate amount of Sales Products to be supplied by the Group to Chongqing Pharma Group during the term of the Framework Sales and Purchases Agreement shall not exceed the Sales Transaction Annual Cap as set out under "Transaction Cap" below; and (d) payment for any Sales Products being supplied shall be settled in accordance with the Framework Sales and Purchases Agreement.
Purchase of Procurement Products:	Procurement Products to be purchased by the Group from Chongqing Pharma Group as contemplated under the Framework Sales and Purchases Agreement (the "**Purchases Transaction(s)**")

Pricing basis for purchase of Procurement Products:	Pursuant to the terms of the Framework Sales and Purchases Agreement, the relevant member(s) of the Group and the relevant member(s) of Chongqing Pharma Group will from time to time during the term of the Framework Sales and Purchases Agreement engage in discussions with a view to entering into the Purchases Transaction(s) on terms mutually agreed between the parties. Once the terms have been agreed, the relevant member(s) of the Group and the relevant member(s) of Chongqing Pharma Group shall enter into a Purchases Order to set out the detailed terms and conditions of the relevant Purchases Transaction. The terms of each Purchases Transaction, as evidenced by the relevant Purchases Order, must comply with the terms of the Framework Sales and Purchases Agreement. In particular, any Procurement Products to be purchased under any Purchases Transaction must comply with the following basis: (a) on normal commercial terms comparable to other independent third party customer of the Group; (b) pricing determined on arm's-length negotiations by reference to the prevailing market prices; (c) the aggregate amount of Procurement Products to be purchased by the Group from Chongqing Pharma Group during the term of the Framework Sales and Purchases Agreement shall not exceed the Purchases Transaction Annual Cap as set out under "Transaction Cap" below; and (d) payment for any Procurement Products being purchased shall be settled in accordance with the Framework Sales and Purchases Agreement.
Term:	one year from 1 January 2017 to 31 December 2017 (both days inclusive)

Transaction Cap

The prices at which the Group supplies Sales Products to Chongqing Pharma Group and purchases Procurement Products from Chongqing Pharma Group under the Framework Sales and Purchases Agreement are determined through arm's-length negotiations between the Group and Chongqing Pharma Group, based on the prevailing market prices of relevant products. For the financial year ending 31 December 2017, it is expected that the caps for relevant Sales Transactions and Purchases Transactions of the Group to be conducted during the term of the Framework Sales and Purchases Agreement are as follow:

	For the financial year from 1 January 2017 to 31 December 2017
Sales Transaction Annual Cap	RMB360 million
Purchase Transaction Annual Cap	RMB0.2 million

B. Information on the Parties to the Framework Sales and Purchases Agreement

The Group, as a leading pharmaceutical and healthcare company in the PRC, is principally engaged in the manufacture and research and development of pharmaceutical products, medical services, medical devices and medical diagnosis and distribution and retail of medical devices.

Chongqing Pharma Group is the largest modern pharmaceutical group in the Southwest China engaged in research and development, manufacturing, distribution and retail of pharmaceutical products.

C. Hong Kong Listing Rules Implications

Chongqing Pharma is a substantial shareholder of Yao Pharma, an indirect non-wholly owned subsidiary of the Company, and therefore Chongqing Pharma is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Hong Kong Listing Rules. As a result, the transactions contemplated under the Framework Sales and Purchases Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio) calculated in accordance with the Hong Kong Listing Rules for the continuing connected transactions under the Framework Sales and Purchases Agreement on an annual basis is more than 1% but less than 5%, and the transactions contemplated under the Framework Sales and Purchases Agreement are conducted on normal commercial terms, such transactions will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK TENANCY AGREEMENTS AND FRAMEWORK SALES AND PURCHASES AGREEMENT

The size and location of the Fosun High Tech Premises are appropriate and feasible for conducting the Company's and its subsidiaries' business operations, and the size and location of the Fosun Pharma Premises meet the business needs of Fosun High Tech and its subsidiaries and will provide stable income to the Group. Further, entering into the Framework Sales and Purchases Agreement is in line with the business model of the Group and will provide stable income to the Group.

The Directors (including the independent non-executive Directors) consider that the terms of each of the Framework Tenancy Agreements (including the Tenancy and Property Services Agreements that separately entered into in accordance with the terms thereunder) and the Framework Sales and Purchases Agreement are on normal commercial terms and are fair and reasonable and the entering into each of the Framework Tenancy Agreements (including the Tenancy and Property Services Agreements that separately entered into in accordance with the terms thereunder) and the Framework Sales and Purchases Agreement are in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole.

As our Directors Mr. Chen Qiyu, Mr. Wang Qunbin, Mr. Guo Guangchang, Ms. Kang Lan and Mr. Wang Can hold positions in Fosun High Tech, they have abstained from voting on the resolutions of the Board to approve the annual caps under the Framework Tenancy Agreements and the transactions contemplated thereof. Save as disclosed above, other Directors did not have any material interest in the Framework Tenancy Agreements, and none of the Directors has material interest in the Framework Sales and Purchases Agreement. Hence, none of the Directors has to abstain from voting on the resolutions to approve the transaction caps under the Framework Sales and Purchases Agreement and the transactions contemplated thereof.

EXCEEDED ANNUAL CAP FOR A CONTINUING CONNECTED TRANSACTION

A. Background

Reference is made to the Announcement in relation to, among other things, entering into the Framework Sales Agreement by the Company and Chongqing Pharma. It came to the Company's attention that the Actual Transaction Amount under the Framework Sales Agreement was approximately RMB294.51 million, which has slightly exceeded the transaction cap of RMB260 million.

B. Reason for the Actual Transaction Amount Exceeding the Transaction Cap

The Actual Transaction Amount incurred has slightly exceeded the transaction cap for the year 2016 under the Framework Sales Agreement, this was mainly due to the growth of business that give rise to additional sales orders entered into between the relevant subsidiaries of the Group and Chongqing Pharma Group in accordance with the Framework Sales Agreement.

C. Hong Kong Listing Rules Implications

As the Actual Transaction Amount exceeded the transaction cap, pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to re-comply with the reporting and announcement requirement under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable Percentage Ratio (other than the profit ratio) calculated in accordance with the Hong Kong Listing Rules for the Actual Transaction Amount is more than 1% but less than 5%, the transactions under the Framework Sales Agreement is still only subject to reporting, annual review and announcement requirement and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of Framework Sales Agreement are on normal commercial terms and are fair and reasonable and the transactions entered into under the the Framework Sales Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"Actual Transaction Amount"	the actual transaction amount incurred under the Framework Sales Agreement during the term thereof
"Announcement"	the announcement of the Company dated 30 June 2016 in relation to, among other things, entering into the Framework Sales Agreement
"Board"	the board of Directors
"Chongqing Pharma"	Chongqing Pharmaceutical (Group) Company Limited* (重慶醫藥(集團)股份有限公司), a substantial shareholder of Yao Pharma, which is a subsidiary of the Company. Chongqing Pharma is a connected person under Rule 14A.07(1) of the Hong Kong Listing Rules
"Chongqing Pharma Group"	Chongqing Pharma and its subsidiaries
"Company" or "Fosun Pharma"	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 Listing Rules

"controlling shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Directors"	directors 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 wholly-owned subsidiary of Fosun International and a controlling shareholder of the Company. Fosun High Tech is a connected person of the Company under Rule 14A.07(1) of the Hong Kong Listing Rules
"Fosun High Tech Premises"	the premises owned by Fosun High Tech and/or its subsidiaries as provided in each of the Fosun High Tech Tenancy and Property Service Agreements
"Fosun International"	Fosun International Limited* (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the Hong Kong Stock Exchange (stock code: 00656), and the controlling shareholder of the Company
"Fosun Pharma Premises"	the premises owned by the Company and/or its subsidiaries as provided in each of the Fosun Pharma Tenancy and Property Service Agreements
"Framework Sales Agreement"	the framework sales agreement dated 30 June 2016 entered into between the Company and Chongqing Pharma in respect of certain sales transactions for a term of 1 year from 1 January 2016 to 31 December 2016, the details of which are disclosed in the Announcement
"Framework Sales and Purchases Agreement"	the framework sales and purchases agreement dated 28 March 2017 entered into between the Company and Chongqing Pharma in respect of sales transactions and purchases transactions for the term of 1 year from 1 January 2017 to 31 December 2017, the particulars of which are disclosed in this announcement
"Framework Tenancy Agreements"	the Lessee Framework Agreement and the Lessor Framework Agreement
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Group"	the Company and its subsidiaries

"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 Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Lessee Framework Agreement"	the framework tenancy agreement entered into between Fosun High Tech, the controlling shareholder of the Company, and the Company, in respect of the lease of the Fosun High Tech Premises for a term of one year from 1 January 2017 to 31 December 2017, the particulars of which are disclosed in this announcement
"Lessor Framework Agreement"	the framework tenancy agreement entered into between the Company and Fosun High Tech, the controlling shareholder of the Company, in respect of the lease of the Fosun Pharma Premises for a term of one year from 1 January 2017 to 31 December 2017, the particulars of which are disclosed in this announcement
"Percentage Ratio(s)"	has the meaning ascribed to it under the Hong Knog Listing Rules
"PRC" or "China"	the People's Republic of China (for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
"Purchases Order"	each separate purchases agreement and/or order in respect of the Purchases Transactions entered into by the Company and/or its subsidiaries and Chongqing Pharma and/or its subsidiaries, the terms of which are determined in accordance with those under the Framework Sales and Purchases Agreement
"Purchase Transaction Annual Cap"	the cap amount of Purchases Transactions carried out in each of the relevant financial years during the term of the Framework Sales and Purchases Agreement
"Procurement Products"	the products to be purchased by the Company and/or its subsidiaries to Chongqing Pharma and/or its subsidiaries as contemplated under the Framework Sales and Purchases Agreement and the relevant Purchases Orders
"RMB"	Renminbi, the lawful currency of the PRC

"Sales Order"	each separate sales agreement and/or order in respect of the Sales Transactions entered into by the Company and/or its subsidiaries and Chongqing Pharma and/or its subsidiaries, the terms of which are determined in accordance with those under the Framework Sales and Purchases Agreement
"Sales Transaction Annual Cap"	The cap amount of Sales Transactions carried out in each of the relevant financial years during the term of the Framework Sales and Purchases Agreement
"Sales Products"	the products to be supplied by the Company and/or its subsidiaries to Chongqing Pharma and/or its subsidiaries as contemplated under the Framework Sales and Purchases Agreement and the relevant Sales Orders
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	A Share(s) and H Share(s)
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Tenancy and Property Service Agreements"	various tenancy and property service agreements (including tenancy agreements and property service agreements that separately entered into under each of the Framework Tenancy Agreements) for the lease of the relevant Fosun Pharma Premises and/or Fosun High Tech Premises entered into and/or to be entered into by the Company and/or its subsidiaries and Fosun High Tech and/or its subsidiaries, the terms of which are determined in accordance with those under the Framework Tenancy Agreements (as applicable)
"Yao Pharma"	Chongqing Yao Pharmaceutical Company Limited* (重慶藥友製藥有限責任公司), a subsidiary of the Company
"%"	percent

By Order of the Board
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
Chen Qiyu
Chairman

Shanghai, the People's Republic of China
28 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can; and the independent non-executive directors of the Company are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.

* *For identification purposes only*