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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

ACQUISITION OF ENTIRE EQUITY INTEREST IN EPHARMA CLOUD

(SHANGHAI) MEDICAL TECHNOLOGY CO., LTD.*

THE ACQUISITION

The Board announces that, on 17 September 2020, Fosun Pharmaceutical Industrial, a subsidiary of the Company, entered into the Equity Transfer Agreement with SFHIH, pursuant to which Fosun Pharmaceutical Industrial agreed to purchase, and SFHIH agreed to sell the entire equity interest in the Target Company for a total cash consideration of RMB4.5 million. Upon completion of the transaction under the Equity Transfer Agreement, the Target Company will become a wholly-owned subsidiary of the Company.

HONG KONG LISTING RULES IMPLICATIONS

As SFHIH is a subsidiary of Fosun High Tech, the controlling shareholder of the Company, SFHIH constitutes an associate of Fosun High Tech and therefore, a connected person of the Company under Rule 14A.07(4) of the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. Given that the party to the Acquisition is the same connected person as the relevant parties to the Previous Transactions, the transaction contemplated under the Acquisition and the Previous Transactions shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As all the applicable percentage ratios calculated after aggregation are more than 0.1% but less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

A. THE ACQUISITION

The Board announces that, on 17 September 2020, Fosun Pharmaceutical Industrial, a subsidiary of the Company entered into the Equity Transfer Agreement with SFHIH, pursuant to which Fosun Pharmaceutical Industrial agreed to purchase, and SFHIH agreed to sell the entire equity interest in the Target Company for a total cash consideration of RMB4.5 million. Upon completion of the transaction under the Equity Transfer Agreement, the Target Company will become a wholly-owned subsidiary of the Company.

The principal terms of the Equity Transfer Agreement are summarised below:

Date

17 September 2020

Parties

- (1) Fosun Pharmaceutical Industrial; and
- (2) SFHIH

Consideration

Under the Equity Transfer Agreement, Fosun Pharmaceutical Industrial shall pay SFHIH RMB4.5 million as the consideration for the Acquisition. Such consideration was determined in accordance with the paid-up capital of RMB4.5 million of SFHIH to the Target Company.

Such consideration will be financed by self-raised funds of Fosun Pharmaceutical Industrial.

Dispute Resolution

The Equity Transfer Agreement shall be governed by the PRC laws. For any dispute which cannot be settled through negotiation, any party shall submit lawsuit to the People's Courts.

B. REASONS AND BENEFITS OF THE ACQUISITION

The Target Company is mainly engaged in the development of digital application platforms in healthcare industry. The purpose of the transaction is to strengthen the digital capabilities of management system for drug's R&D projects of the Group so as to further improve the drug's R&D system and enhance its management efficiency.

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

Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang, Mr. Gong Ping and Mr. Pan Donghui, being the Directors, abstained from voting on the resolutions approving the Acquisition, whilst the remaining 5 Directors (including 4 independent non-executive Directors) participated in the voting and approved unanimously.

C. INFORMATION OF THE PARTIES OF THE ACQUISITION

Fosun Pharmaceutical Industrial

Fosun Pharmaceutical Industrial is a wholly-owned subsidiary of the Company and is mainly engaged in the industrial investments, medical industry investments, import and export of goods and technologies.

SFHIH

SFHIH is a company established in the PRC with limited liability and a subsidiary of Fosun High Tech, the controlling shareholder of the Company. SFHIH is mainly engaged in, among others, health industry investment management, health management consultancy and elderly care investment management.

The Target Company

The Target Company is a company established in the PRC with limited liability and is mainly engaged in development, transfer, consultancy, services and promotion in relation to healthcare technology, bio-tech and information technology.

The net profit (both before and after taxation) of the Target Company for the financial year ended 31 December 2019 and the 6-month ended 30 June 2020 are as follows:

Unit: RMB million

	For the year ended 31 December 2019	For the 6-month ended 30 June 2020
Net profit/(loss) (before taxation)	(2.3)	(1.1)
Net profit/(loss) (after taxation)	(2.3)	(1.1)

As at 30 June 2020, the unaudited total assets value and unaudited net assets value of the Target Company were approximately RMB2.04 million and RMB1.11 million, respectively.

D. HONG KONG LISTING RULES IMPLICATIONS

As SFHIH is a subsidiary of Fosun High Tech, the controlling shareholder of the Company, SFHIH constitutes an associate of Fosun High Tech and therefore, a connected person of the Company under Rule 14A.07(4) of the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. Given that the party to the Acquisition is the same connected person as the relevant parties to the Previous Transactions, the transaction contemplated under the Acquisition and the Previous Transactions shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As all the applicable percentage ratios calculated after aggregation are more than 0.1% but less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

E. DEFINITIONS

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

“Acquisition”	The acquisition of the entire equity interest in the Target Company held by SFHIH pursuant to the Equity Transfer Agreement
“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
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors

“Chancheng Hospital”	Foshan Chancheng Central Hospital Company Limited* (佛山市禪城區中心醫院有限公司), a for-profit medical institution established with the approval by the Population, Health and Drug Administration of Chancheng District, Foshan* (佛山市禪城區人口和衛生藥品監督管理局), and a subsidiary 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
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	an equity transfer agreement dated 17 September 2020 entered into between Fosun Pharmaceutical Industry and SFHIH in relation to the Acquisition
“Fosun Healthcare”	Shanghai Fosun Healthcare (Group) Co., Ltd.* (上海復星醫療(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 and the controlling shareholder of the Company
“Fosun Pharmaceutical Industrial”	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Fujian Fund”	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 established in the PRC with limited liability and a subsidiary of the Company

“Fund Partnership Agreements”	(i) the limited partnership agreement in relation to the establishment of Suzhou Fund dated 18 May 2020 entered into between Ningbo Fuying, Suzhou Xingchen, Fosun High Tech and other investors; and (ii) the limited partnership agreement dated 18 May 2020 entered into between Ningbo Fuying, Tianjin Xingyao, Tianjin Xinghai Commercial Management Partnership (Limited Partnership)* (天津星海商業管理合夥企業(有限合夥)), Fosun High Tech and other investors
“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 HK\$
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Ningbo Fuying”	Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Partnership Agreements”	the limited partnership agreements dated 30 March 2020 entered into between the Company, Fujian Fund, Fosun High Tech and Tianjin Fuyao in relation to the formation of Suzhou Xingchen and Tianjin Xingyao
“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 Transactions”	the transactions contemplated under the Share Purchase Agreement, 2019 Shenzhen Fosun Health Capital Increase Agreement, Partnership Agreements, Fund Partnership Agreements, Zhuorui Outpatient Capital Increase Agreement and 2020 Shenzhen Fosun Health Capital Increase Agreement

“R&D”	research and development
“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)
“Share Purchase Agreement”	a share purchase agreement dated 30 September 2019 entered into between Ample Up Limited, a subsidiary of the Company, and Magnificent View Investments Limited
“SFHIH”	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 and a subsidiary of Fosun High Tech
“Shenzhen Fosun Health”	Shenzhen Fosun Health Information Technology Company Limited* (深圳復星健康信息科技有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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 limited partnership established in the PRC and a subsidiary of the Company
“Target Company”	Epharma Cloud (Shanghai) Medical Technology Co., Ltd.* (易研雲(上海)醫療科技有限公司), a company established in the PRC with limited liability
“Tianjin Fuyao”	Tianjin Fuyao Commercial Management Partnership (Limited Partnership)* (天津復曜商業管理合夥企業(有限合夥)), a limited partnership established in the PRC
“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

“Xingshuangjian Investment”	Shanghai Xingshuangjian Investment Management Co., Ltd.* (上海星雙健投資管理有限公司), a company established in the PRC with limited liability and a subsidiary of Fosun High Tech
“Youle Information”	Shanghai Youle Information Technology Company Limited* (上海有叻信息科技有限公司), a company established in the PRC with limited liability
“Zhuorui Outpatient Capital Increase Agreement”	A capital increase agreement dated 14 August 2020 entered into between Fosun Healthcare, Xingshuangjian Investment, SFHIH and Shanghai Zhuorui Integrated Outpatient Limited Company* (上海卓瑞綜合門診部有限公司)
“2019 Shenzhen Fosun Health Capital Increase Agreement”	a capital increase agreement dated 1 November 2019 entered into between Chancheng Hospital, Youle Information and Shenzhen Fosun Health
“2020 Shenzhen Fosun Health Capital Increase Agreement”	the capital increase agreement dated 17 September 2020 entered into between the Company, Fosun Healthcare, Fosun High Tech, Youle Information, Chancheng Hospital and Shenzhen Fosun Health in relation to the proposed capital increase in Shenzhen Fosun Health
“%”	per cent

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

Shanghai, the PRC
17 September 2020

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. Xu Xiaoliang, Mr. Gong Ping and Mr. Pan Donghui; and the independent non-executive directors of the Company are Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin, Ms. Li Ling and Mr. Tang Guliang.

* for identification purposes only