
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED
AND
NOTICE OF EGM**

A letter from the Board is set out on pages 3 to 5 of this circular. The notice convening the EGM of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* to be held at 1:30 p.m. on Wednesday, 14 July 2021 at Shanghai Film Art Center, No. 160 Xinhua Road, Shanghai, the PRC is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed herewith and also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.fosunpharma.com>).

Whether or not you are able to attend the said meeting, you are reminded to complete, sign and return the form of proxy enclosed, in accordance with the instructions printed thereon. The form of proxy shall be lodged at the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 24 hours before the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

* *for identification purposes only*

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DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is (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
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“EGM”	the 2021 second extraordinary general meeting of the Company to be held at 1:30 p.m. on Wednesday, 14 July 2021 at Shanghai Film Art Center, No. 160 Xinhua Road, Shanghai, the PRC (or any adjournment thereof)
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 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 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

DEFINITIONS

“Proposed Non-public Issuance”	the proposed non-public issuance of no more than 5% of the total number of the Shares prior to the Proposed Non-public Issuance (i.e. no more than 128,144,927 A Shares (inclusive) calculated on the basis of the total number of the Shares as at the date of the first Board resolution approving the Proposed Non-public Issuance) to no more than 35 particular investors by the Company, which was approved by the Shareholders at the general meeting of the Company held on 29 December 2020. Further details please refer to the circular of the Company dated 8 December 2020
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“Report on the Use of Proceeds Previously Raised”	Report on the Use of Proceeds Previously Raised as at 31 December 2020 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《上海復星醫藥(集團)股份有限公司截至2020年12月31日前次募集資金使用情況報告》)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of the Company, including H Shares and A Shares
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent

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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)

Executive Director:

Mr. WU Yifang (*Chairman and CEO*)

Non-executive Directors:

Mr. CHEN Qiyu

Mr. YAO Fang

Mr. XU Xiaoliang

Mr. GONG Ping

Mr. PAN Donghui

Mr. ZHANG Houlin

Registered Office:

9th Floor, No. 510

Caoyang Road

Putuo District

Shanghai, 200063, China

Headquarters:

Building A

No. 1289 Yishan Road

Shanghai, 200233, China

Independent Non-executive Directors:

Ms. LI Ling

Mr. TANG Guliang

Mr. WANG Quandi

Mr. YU Tze Shan Hailson

*Principal Place of Business
in Hong Kong:*

Level 54

Hopewell Centre

183 Queen's Road East

Hong Kong

23 June 2021

To the Shareholders

Dear Sir or Madam,

**REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED
AND
NOTICE OF EGM**

I. INTRODUCTION

The purpose of this circular is to give you notice of the EGM enclosed herewith, and to provide you with information regarding resolution to be proposed at the EGM regarding the Report on the Use of Proceeds Previously Raised to enable you to make informed decisions on whether to vote for or against the proposed resolution at the EGM.

LETTER FROM THE BOARD

II. REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

Reference is made to the circular of the Company dated 8 December 2020 in relation to, among others, the Proposed Non-public Issuance, which was approved by the Shareholders at the general meeting of the Company on 29 December 2020.

In accordance with the relevant requirements under the Regulation on the Report on the Use of Proceeds Previously Raised (Zheng Jian Fa Xing Zi [2007] No. 500)* (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)) of the CSRC, the Company has prepared the updated Report on the Use of Proceeds Previously Raised, and Ernst & Young Hua Ming LLP has issued the Assurance Report on the Use of Proceeds Previously Raised of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《上海復星醫藥(集團)股份有限公司前次募集資金使用情況鑒證報告》). Full text of the Report on the Use of Proceeds Previously Raised is set out in the Appendix to this circular. In case of any discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.

The Report on the Use of Proceeds Previously Raised is subject to the approval of the Shareholders in accordance with the relevant laws and regulations of the PRC. The resolution will be submitted to Shareholders for consideration and approval at the EGM as a special resolution.

III. EGM

The notice convening the EGM to be held at 1:30 p.m. on Wednesday, 14 July 2021 at Shanghai Film Art Center, No. 160 Xinhua Road, Shanghai, the PRC is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed herewith and also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.fosunpharma.com>).

IV. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Friday, 9 July 2021 to Wednesday, 14 July 2021, both days inclusive. In order to qualify for attending and voting at the EGM, unregistered H Shareholders should ensure that all transfer documents for H Shares together with the relevant share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 8 July 2021.

V. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, the resolution put forward at the EGM will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company by means set out in Rule 13.39(5) of the Hong Kong Listing Rules after the EGM.

LETTER FROM THE BOARD

VI. RECOMMENDATIONS

The Board considers that the resolution as set out in the notice of the EGM for consideration and approval by the Shareholders is in the interests of the Company and the Shareholders as a whole. The Board therefore recommends all Shareholders to vote in favor of the resolution proposed at the EGM as set out in the notice of EGM.

VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

VIII. FURTHER INFORMATION

Your attention is drawn to the Appendix to this circular.

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

SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD.*
REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED
AS AT 31 DECEMBER 2020

I. BASIC SITUATION OF THE PROCEEDS PREVIOUSLY RAISED

(i) Proceeds from the 2010 Non-public Issuance of Shares

As approved by the China Securities Regulatory Commission in the Approval of the Non-public Issuance of Shares of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《關於核准上海復星醫藥(集團)股份有限公司非公開發行股票的批覆》) (Zheng Jian Xu Ke [2010] No.334), Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司)(“**Fosun Pharma**” or the “**Company**”) conducted a non-public issuance of shares in China. As at 4 May 2010, the Company had completed the non-public issuance of 31,820,000 RMB ordinary shares (A shares) at an issue price of RMB20.60 per share. The total proceeds amounted to RMB655,492,000, and the actual net amount of proceeds (after deducting underwriting commission for securities firms and other issuance fees) was RMB635,392,000. As at 19 April 2010, the proceeds had been deposited into a designated account.

As at 31 December 2020, the net proceeds of RMB642,833,500 were utilized, and the balance of the designated account for the proceeds amounted to RMB6,627,900 (including interest income from the designated account of RMB13,581,400, and the capital increase of RMB488,000 in aggregate in Guilin South Pharma Company Limited* (桂林南藥股份有限公司) (“**Guilin Pharma**”) and Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司) (“**Jiangsu Wanbang**”) by Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司) (“**Industrial Development**”) using its self-owned funds).

(ii) Proceeds from the 2016 Non-public Issuance of Shares

As approved by the China Securities Regulatory Commission in the Approval of the Non-public Issuance of Shares of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《關於核准上海復星醫藥(集團)股份有限公司非公開發行股票的批覆》) (Zheng Jian Xu Ke [2016] No.1230), the Company conducted a non-public issuance of shares in China. As at 8 November 2016, the Company had completed the Non-public Issuance of 100,440,000 RMB ordinary shares (A shares) at an issue price of RMB22.90 per share. The total proceeds amounted to RMB2,300,000,000, and the actual net amount of proceeds (after deducting the underwriting commission for securities firms and other issuance fees) was RMB2,275,249,600. As at 1 November 2016, the proceeds had been deposited into a designated account.

As at 31 December 2020, the net proceeds of RMB2,276,120,900 were utilized (including interest income from the designated account of RMB871,300). All the proceeds raised were used, and the designated bank account for the proceeds was closed.

II. MANAGEMENT OF THE PROCEEDS PREVIOUSLY RAISED

In order to regulate the management of the proceeds raised of the Company and protect the rights of investors, the Company has formulated the Management System for Proceeds Raised of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《上海復星醫藥(集團)股份有限公司募集資金管理制度》), which sets out specific requirements on the deposit and utilization of proceeds raised, the management of project implementation, as well as the supervision on the use of proceeds.

(i) Proceeds from the 2010 Non-public Issuance of Shares

The Company and its subsidiaries, namely Industrial Development, Jiangsu Wanbang, Guilin Pharma and Shanghai Fosun Long March Medical Science Co., Ltd. (上海復星長征醫學科學有限公司) (now renamed as “Fosun Diagnostics (Shanghai) Co., Ltd.” (復星診斷科技(上海)有限公司), “**Fosun Long March**”), opened designated accounts for proceeds with the Jiangwan Sub-branch of the Shanghai Branch of China Merchants Bank, the Xuzhou Yunlonghu Sub-branch of Agricultural Bank of China Limited, the Xiangshan Sub-branch of the Guilin Branch of China Construction Bank and the Zhabei Sub-branch of the Shanghai Branch of Bank of Communications (collectively the “**2010 Designated Account Banks**”), respectively and deposited the proceeds into designated accounts.

On 10 May 2010, the Company and its subsidiaries, namely Industrial Development, Jiangsu Wanbang, Guilin Pharma and Fosun Long March, entered into the Tripartite Supervision Agreement on the Deposit of Proceeds Raised in Designated Account (《募集資金專戶存儲三方監管協議》) (the “**2010 Original Supervision Agreement**”) with the 2010 Designated Account Banks and the sponsor, namely Haitong Securities Co., Ltd. (“**Haitong Securities**”). In April 2015, the Company proposed to implement a proposal of non-public issuance of A shares. In July 2015, the Company entered into the Sponsorship Agreement with each of UBS Securities Co., Ltd. (“**UBS Securities**”) and Tebon Securities Co., Ltd. (“**Tebon Securities**”), pursuant to which, each of UBS Securities and Tebon Securities was appointed as a joint sponsor for the non-public issuance of A shares, and UBS Securities and Tebon Securities were responsible for the continuous supervision of the 2010 Non-public Issuance of A shares of the Company. On 7 September 2015, the Company, along with Industrial Development, Jiangsu Wanbang and Guilin Pharma, entered into the Tripartite Supervision Agreement on the Proceeds Raised from the Non-public Issuance of A Shares (For Remaining Proceeds Raised from the 2010 Non-public Issuance Project) (《非公開發行A股股票募集資金三方監管協議(2010年非公開發行項目募集資金剩餘部分)》) with 2010 Designated Account Banks, UBS Securities and Tebon Securities. In November 2020, the Company proposed to implement a plan of non-public issuance of A shares. To that end, in February 2021, the Company entered into the Sponsorship Agreement with China International Capital Corporation Limited (“**CICC**”), pursuant to which, CICC was appointed as the sponsor for the non-public issuance of A shares. and CICC was responsible for the continuous supervision of the 2010 Non-public Issuance of A shares of the Company. On 25 March 2021, the

Company, along with Industrial Development and Guilin Pharma, entered into the Tripartite Supervision Agreement on the Deposit of Proceeds Raised in a Designated Account with 2010 Designated Account Banks and CICC.

There were no significant discrepancies between the above-mentioned Tripartite Supervision Agreement and the Tripartite Supervision Agreement on the Deposit of Proceeds Raised in a Designated Account (Sample Text) (《募集資金專戶存儲三方監管協議(範本)》) of the Shanghai Stock Exchange. The Company implemented the utilization of proceeds raised for special purposes. All parties to the agreement performed their respective duties in accordance with the provisions of the tripartite supervision agreement.

The proceeds from the 2010 non-public issuance of the Company deposited into different bank accounts as at 31 December 2020 are as follows:

Unit: RMB'0,000

Account holder	Account opening bank	Account no.	Amount
Fosun Pharma	Dalian Road Sub-branch, Shanghai Branch, China Merchants Bank ¹	021900070310801	29.39
Industrial Development	Dalian Road Sub-branch, Shanghai Branch, China Merchants Bank ¹	121902808710901	12.81
Jiangsu Wanbang ²	Xuzhou Yunlonghu Sub-branch, Agricultural Bank of China Limited	231401040011992	—
Guilin Pharma	Xiangshan Sub-branch, Guilin Branch, China Construction Bank Corporation	45001637101050702134	620.59
Fosun Long March ³	Zhabei Sub-branch, Shanghai Branch, Bank of Communications	310066441018170091430	—
Total			<u>662.79</u>

Note 1: In 2015, the original Jiangwan Sub-branch, Shanghai Branch, China Merchants Bank was renamed as Dalian Road Sub-branch, Shanghai Branch, China Merchants Bank due to relocation.

Note 2: All the proceeds raised for the Jiangsu Wanbang project funded by proceeds were used, and the designated account was closed.

Note 3: The Fosun Long March project funded by proceeds was completed, all the proceeds were used, and the designated account was closed.

(ii) Proceeds from the 2016 Non-public Issuance of Shares

The Company opened a designated account for the proceeds with Shanghai Zhongshan Park Sub-branch of China CITIC Bank and deposited the proceeds into the designated account for management.

Upon the receipt of proceeds raised in 2016, on 9 November 2016, the Company entered into the 2016 Tripartite Supervision Agreement on Non-public Issuance of A Shares (《2016年非公开发行A股股票募集資金三方監管協議》) (the “**2016 Supervision Agreement**”) with the Shanghai Branch of China CITIC Bank Co., Ltd. and the sponsors, namely UBS Securities and Tebon Securities.

There were no significant discrepancies between the 2016 Supervision Agreement and the Tripartite Supervision Agreement on the Deposit of Proceeds Raised in a Designated Account (Sample Text) of the Shanghai Stock Exchange. The Company implemented the utilization of proceeds raised for special purposes. All parties to the agreement performed their respective duties in accordance with the provisions of the tripartite supervision agreement.

The proceeds from the 2016 non-public issuance of the Company deposited into bank accounts as at 31 December 2020 are as follows:

Unit: RMB’0,000

Account holder	Account opening bank	Account no.	Amount
Fosun Pharma	Shanghai Zhongshan Park Sub-branch, China CITIC Bank	8110201013100448092	— _____
Total			— =====

Note: All the proceeds from the 2016 non-public issuance of the Company were used, and the designated account was closed.

III. ACTUAL USE OF PROCEEDS PREVIOUSLY RAISED**(i) Proceeds from the 2010 Non-public Issuance of Shares**

According to the plan of the non-public issuance of the Company, the Company would increase the capital of Industrial Development, a wholly-owned subsidiary, using the proceeds from the non-public issuance, and Industrial Development would increase the capital of each of Jiangsu Wanbang and Guilin Pharma. The increased capital would be used for the implementation of the recombinant human insulin (raw material + preparation) industrialization project and the artesunate high-tech industrialization demonstration project. In addition, the Company would provide an entrusted loan to Fosun Long March, a wholly-owned subsidiary, for the implementation of the in vitro diagnostic product production base project using the proceeds from the non-public issuance. In 2011, according to the

arrangement of the non-public issuance of the Company, an entrusted loan provided to Fosun Long March, a wholly-owned subsidiary, was converted into a capital increase for Fosun Long March. The relevant progress as at 31 December 2020 is as follows:

1. As at 31 December 2020, Jiangsu Wanbang had used proceeds of RMB382,187,900 (including interest income from the designated account of RMB10,667,900 and Industrial Development's capital increase of RMB50,000 with its own funds). The balance of the bank account for the proceeds was used up. The designated bank account for the proceeds was closed.

As at the date of this report, the “recombinant human insulin and analogue (raw material + preparation) industrialization project” of Jiangsu Wanbang has not been completed and put into production.

2. As at 31 December 2020, Guilin Pharma had used proceeds of RMB186,269,900. The balance of the designated bank account for the proceeds amounted to RMB6,205,900 (including interest income from the designated account of RMB2,449,800 and Industrial Development's capital increase of RMB438,000 with its own funds). The “artesanate high-tech industrialization demonstration project” of Guilin Pharma had been completed, and passed the acceptance inspection.

3. As at 31 December 2020, Fosun Long March had used proceeds of RMB74,375,700 (including interest income from the designated account of RMB41,700). The “in vitro diagnostic product production base project” of Fosun Long March had been completed, and passed the acceptance inspection. The designated bank account for the proceeds was closed.

4. In order to adapt to the development trend of the insulin market, make full use of resources and maximize the benefits of the projects funded by the proceeds, as considered and approved at the 2012 first extraordinary general meeting of the Company held on 31 January 2012, it was agreed that the Company would change “recombinant human insulin (raw material + preparation) industrialization project” to “recombinant human insulin and analogue (raw material + preparation) industrialization project”. It was estimated that the project would reach usable status in January 2015. In order to cooperate with the implementation of the national drug clinical trial guidelines and new policies, the clinical plan must be adjusted and optimized accordingly, and the advancement of clinical trials would be affected to a certain extent. As considered and approved at the 70th meeting of the seventh session of the board of directors and the 2018 fifth meeting of the seventh session of the supervisory committee held on 27 August 2018, it was agreed that the expected usable status date of “recombinant human insulin and analogue (raw material + preparation) industrialization project” would be extended to December 2020. Due to the major changes in national pharmaceutical policies, and with the successive implementation of the newly revised Measures on the Registration Administration of Medicines (《藥品註冊管理辦法》) and the supporting documents,

the research content should be further optimized. As considered and approved at the 31th meeting of the eighth session of the board of directors and the 2020 sixth meeting of the eighth session of the supervisory committee held on 18 December 2020, it was agreed that the expected usable status date of “recombinant human insulin and analogue (raw material + preparation) industrialization project” would be extended to December 2021.

5. In order to improve the efficiency of the use of proceeds, promote the healthy development of the Company and enhance the Company’s operating efficiency, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds to temporarily replenish the working capital in line with the principle of maximizing the interests of shareholders, under the premise of ensuring the capital needs for the construction of the projects funded by the proceeds and in accordance with the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》), the Notice on Further Regulating the Use of Funds Raised by Listed Companies (《關於進一步規範上市公司募集資金使用的通知》), the Measures for the Management of Funds Raised by Listed Companies of the Shanghai Stock Exchange (Revised in 2013) (《上海證券交易所上市公司募集資金管理辦法(2013年修訂)》) and other regulatory documents and relevant provisions of the Management System of Funds Raised by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《上海復星醫藥(集團)股份有限公司募集資金管理制度》) The matter was considered and approved by the Company’s board of directors and the supervisory committee. The independent directors had issued independent opinions on the matter as follows:

- (1) As considered and approved at the 43rd meeting of the fifth session of the board of directors (a regular meeting) and the 2011 third meeting of the fifth session of the supervisory committee (a regular meeting) of the Company held on 26 August 2011, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds of RMB40 million and RMB20 million to temporarily replenish the working capital. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 9.44% of the Company’s net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent directors expressed their opinions and agreed to the above matter. On 23 February 2012, Jiangsu Wanbang and Guilin Pharma had refunded the total amount for temporary working capital replenishment of RMB60 million to their respective designated accounts for the proceeds.
- (2) As considered and approved at the 57th meeting of the fifth session of the board of directors (a regular meeting) and the 2012 second meeting of the fifth session of the supervisory committee (a regular meeting) of the Company held

on 22 March 2012, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds of RMB40 million and RMB20 million to temporarily replenish the working capital again. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 9.44% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent directors expressed their opinions and agreed to the above matter. On 20 September 2012, Jiangsu Wanbang and Guilin Pharma had refunded the total amount for temporary working capital replenishment of RMB60 million to their respective designated accounts for the proceeds.

- (3) As considered and approved at the 71st meeting of the fifth session of the board of directors (an extraordinary meeting) and the 2012 fifth meeting of the fifth session of the supervisory committee (an extraordinary meeting) held on 15 October 2012, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds of RMB40 million and RMB20 million to temporarily replenish the working capital. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 9.44% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent directors expressed their opinions and agreed to the above matter. On 9 April 2013 and 10 April 2013, Jiangsu Wanbang and Guilin Pharma had refunded the respective amount for temporary working capital replenishment of RMB40 million and RMB20 million to their respective designated accounts for the proceeds.
- (4) As considered and approved at the 90th meeting of the fifth session of the board of directors (a regular meeting) and the 2013 second meeting of the fifth session of the supervisory committee (a regular meeting) held on 25 April 2013, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds of RMB40 million and RMB20 million to temporarily replenish the working capital. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 9.44% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent non-executive directors expressed their opinions and agreed to the above matter. On 22 October 2013, Jiangsu Wanbang and Guilin Pharma had

refunded the respective amount for temporary working capital replenishment of RMB40 million and RMB20 million to their respective designated accounts for the proceeds.

- (5) As considered and approved at the 10th meeting of the sixth session of the board of directors (an extraordinary meeting) and the 2013 fifth meeting of the sixth session of the supervisory committee (an extraordinary meeting) held on 9 December 2013, Jiangsu Wanbang and Guilin Pharma used their respective idle proceeds of RMB40 million and RMB12 million to temporarily replenish the working capital. The usage period shall not exceed 6 months and 3 months respectively from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 8.18% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent non-executive directors expressed their opinions and agreed to the above matter. On 7 March 2014 and 5 June 2014, Guilin Pharma and Jiangsu Wanbang had refunded the respective amount for temporary working capital replenishment of RMB12 million and RMB40 million to their respective designated accounts for the proceeds.
- (6) As considered and approved at the 28th meeting of the sixth session of the board of directors (an extraordinary meeting) and the 2014 fourth meeting of the sixth session of the supervisory committee (an extraordinary meeting) held on 14 July 2014, Jiangsu Wanbang used its idle proceeds of RMB40 million to temporarily replenish the working capital. The usage period shall not exceed 3 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 6.30% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent non-executive directors expressed their opinions and agreed to the above matter. On 13 October 2014, Jiangsu Wanbang had refunded the amount for temporary working capital replenishment of RMB40 million to its designated account for the proceeds.
- (7) As considered and approved at the 38th meeting of the sixth session of the board of directors (an extraordinary meeting) and the 2014 seventh meeting of the sixth session of the supervisory committee (an extraordinary meeting) held on 17 December 2014, Jiangsu Wanbang used its idle proceeds of RMB40 million to temporarily replenish the working capital. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount

accounted for 6.30% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent non-executive directors expressed their opinions and agreed to the above matter. On 15 June 2015, Jiangsu Wanbang had refunded the amount for temporary working capital replenishment of RMB40 million to its designated account for the proceeds.

- (8) As considered and approved at the 52nd meeting of the sixth session of the board of directors (an extraordinary meeting) and the 2015 sixth meeting of the sixth session of the supervisory committee (an extraordinary meeting) held on 21 July 2015, Jiangsu Wanbang used its idle proceeds of RMB40 million to temporarily replenish the working capital. The usage period shall not exceed 6 months from the date of approval of the proposal by the board of directors. The replenished working capital shall only be used for production and operation related to the principal business activity. As the above amount accounted for 6.30% of the Company's net proceeds and did not exceed 10% of the net proceeds, it was not subject to consideration at the general meeting of the Company. The independent non-executive directors expressed their opinions and agreed to the above matter. On 12 January 2016, Jiangsu Wanbang had refunded the amount for temporary working capital replenishment of RMB40 million to its designated account for the proceeds.

6. For the comparison table of the use of proceeds raised in 2010, please refer to Schedule 1 of this report.

(ii) Proceeds from the 2016 Non-public Issuance of Shares

According to the Company's non-public issuance plan, the Company would use RMB1,600 million of the proceeds from the non-public issuance to repay interest-bearing debts due, and all the remaining proceeds would be used to replenish the working capital. The relevant progress as at 31 December 2020 is as follows:

1. On 9 November 2016, the Company held the fifteenth meeting of the seventh session of the board of directors (an extraordinary meeting) and the 2016 fifth meeting of the seventh session of the supervisory committee (an extraordinary meeting). The meetings considered and approved the Resolution on Use of Proceeds to Replace the Investment of the Self-raised Funds into the Projects Funded by Proceeds, and agreed to use the proceeds of RMB1,600 million to replace the self-raised proceeds that had been invested. As at 31 December 2020, the proceeds of RMB1,600 million for repaying interest-bearing debts due had been fully used.
2. As at 31 December 2020, the Company had used the proceeds of RMB676,120,900 (including interest income from the designated account of RMB871,300) to replenish the working capital.

3. As at 31 December 2020, all the proceeds had been used, and the designated account for the proceeds was closed.
4. For the comparison table of the use of proceeds raised in 2016, please refer to Schedule 2 of this report.

IV. ACHIEVEMENTS OF PROJECTS FUNDED BY PROCEEDS PREVIOUSLY RAISED

(i) Proceeds from the 2010 Non-public Issuance of Shares

In 2011, the production of the “in vitro diagnostic product production base project” of Fosun Long March commenced after its construction was completed and passed the acceptance inspection. In March 2014, the production of the “artesianate high-tech industrialization demonstration project” of Guilin Pharma commenced after its construction was completed and passed the acceptance inspection. As at the date of this report, the “recombinant human insulin and analogue (raw material + preparation) industrialization project” of Jiangsu Wanbang has not been completed and put into production. For the comparison table of the achievements of projects funded by proceeds raised in 2010, please refer to Schedule 3 of this report.

(ii) Proceeds from the 2016 Non-public Issuance of Shares

In 2016, the Company utilized proceeds of RMB1,600 million to replace the self-raised funds which had made the upfront repayment of the interest-bearing debts due, and utilized proceeds of RMB675.2496 million to replenish the working capital. In 2017, the Company utilized proceeds of RMB871,300 to replenish the working capital. For the comparison table of the achievements of projects funded by proceeds raised in 2016: Not applicable.

V. CHANGES IN THE USE OF PROCEEDS IN THE PROJECTS FUNDED BY PROCEEDS PREVIOUSLY RAISED

(i) Proceeds from the 2010 Non-public Issuance of Shares

On 12 January 2012, as considered and approved at the 54th meeting of the fifth session of the board of directors of the Company (an extraordinary meeting), it was agreed that the Company would change the “recombinant human insulin (raw material + preparation) industrialization project” to “recombinant human insulin and analogue (raw material + preparation) industrialization project”. The total investment of the new project was RMB510.76 million, of which: RMB371.47 million was funded by the proceeds, and the remaining investment of RMB139.29 million was funded by Jiangsu Wanbang, the entity for the implementation of the project. As part of the construction content of the new investment project was the same as that of the original investment project, the actual change in the investment from the proceeds was RMB221,862,100, which accounted for 59.73% of the net proceeds of the project. The resolution was considered and approved at the 2012 first extraordinary general meeting of the Company.

(ii) Proceeds from the 2016 Non-public Issuance of Shares

Not applicable.

VI. COMPARISON OF INFORMATION DISCLOSURE ON THE ACTUAL USE OF PROCEEDS PREVIOUSLY RAISED

There is no difference between the actual use of the Company's proceeds previously raised and those stated in the Company's periodic reports for each year and other information disclosure documents.

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

17 June 2021

Schedule 1:

Comparison table of the use of proceeds from the 2010 non-public issuance of shares

Unit: RMB'0,000

Total proceeds raised	65,549.20	Accumulated total proceeds used	64,283.35
Total proceeds with changed use	22,186.21	Total proceeds used over the years	64,283.35
Proportion of total proceeds with changed use	33.85%	Year 2016 and previous years	63,649.29
		Year 2017	633.56
		Year 2018	0.15
		Year 2019	0.13
		Year 2020	0.22

Investment project	Total proceeds invested			Accumulated proceeds invested as at the cut-off date				Difference between actual investment amount and committed investment amount after fund raising	Expected time for the project ready for its intended use
	Whether there is any change	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount		
Committed investment projects									
Recombinant human insulin (raw material + preparation) industrialization project	Yes (Note 1)	37,147.00	37,147.00	38,218.79 (Note 2)	37,147.00	37,147.00	38,218.79 (Note 2)	1,071.79	December 2021
Artesunate high-tech industrialization demonstration project	No	18,958.80	18,958.80	18,626.99	18,958.80	18,958.80	18,626.99	(331.81)	March 2014
In-vitro diagnostic product production base project	No	7,433.40	7,433.40	7,437.57 (Note 3)	7,433.40	7,433.40	7,437.57 (Note 3)	4.17	December 2011
Total		<u>63,539.20</u>	<u>63,539.20</u>	<u>64,283.35</u>	<u>63,539.20</u>	<u>63,539.20</u>	<u>64,283.35</u>	<u>744.15</u>	

Note 1: In January 2012, the Company changed the “recombinant human insulin (raw material + preparation) industrialization project” to the “recombinant human insulin and analogue (raw material + preparation) industrialization project”. For details, please see V. Changes in the Use of Proceeds in the Projects Funded by Proceeds Previously Raised.

Note 2: The accumulated investment amount included the interest income from a designated account for the proceeds of RMB10,667,900 and the capital increase of RMB50,000 from Industrial Development with its own funds.

Note 3: The accumulated investment amount included the interest income from a designated account for the proceeds of RMB41,700.

Schedule 1 (Continued):

Reasons for not meeting the scheduled progress (by specific investment project)

In order to adapt to the development trend of the insulin market, make full use of resources and maximize the benefits of investment project, as considered and approved at the 2012 first extraordinary general meeting of the Company held on 31 January 2012, it was agreed that the Company would change “recombinant human insulin (raw material + preparation) industrialization project” to “recombinant human insulin and analogue (raw material + preparation) industrialization project”. The total investment of the new project was RMB510.76 million, of which: RMB371.47 million was funded by the proceeds, and the remaining investment of RMB139.29 million was funded by Jiangsu Wanbang, the entity for the implementation of the project. As part of the construction content of the new investment project was the same as that of the original investment project, the actual change in the investment from the proceeds was RMB221,862,100, which accounted for 59.73% of the net proceeds of the project. It was expected that the project would be ready for its intended use in January 2015. In order to comply with the guiding principles and the implementation of new policies of the state on drug clinical trials, the clinical protocol should be adjusted and optimized accordingly. Hence, the progress of clinical trials was affected to a certain extent. As considered and approved at the 70th meeting of the seventh session of the board of the directors and the 2018 fifth meeting of the seventh session of the supervisory committee held on 27 August 2018, it was agreed that the scheduled date of the “recombinant human insulin and analogue (raw material + preparation) industrialization project” would be postponed to December 2020. Due to the major changes in national pharmaceutical policies, and with the successive implementation of the newly revised Measures on the Registration Administration of Medicines and the supporting documents, the research content should be further optimized. As considered and approved at the 31st meeting of the eighth session of the board of directors and the 2020 sixth meeting of the eighth session of the supervisory committee held on 18 December 2020, it was agreed that the scheduled date of the “recombinant human insulin and analogue (raw material + preparation) industrialization project” would be postponed to December 2021.

Upfront investment and fund swap of investment projects funded by the proceeds previously raised	<p>As considered and approved at the 2010 third extraordinary general meeting held on 17 August 2010, it was agreed that the investment of the self-raised funds into the projects funded by proceeds should be replaced by the proceeds of RMB128,731,061.11 in aggregate. Ernst & Young Hua Ming had verified the upfront investment in the project funded by the proceeds from the non-public issuance of shares as at 15 July 2010, and issued the Special Assurance Report on the Upfront Investment on artesunate high-tech industrialization demonstration project and Other Projects Funded by Proceeds (Ernst & Young Hua Ming (2010) Zhuan Zi No. 60469139_B03) (安永華明(2010)專字第60469139_B03號《青蒿琥酯高技術產業化示範工程等募集資金項目先期投入情況專項鑒證報告》). Haitong Securities, the sponsor, also issued opinions on the Company's proceeds to replace the investment of the self-raised funds into the projects funded by proceeds. On 18 August 2010, the Company completed the above fund replacement.</p> <p>The Company's proceeds previously raised to replace the investment of the self-raised funds into the projects funded by proceeds is as follows: both the invested amount and the replacement amount of the artesunate high-tech industrialization demonstration project implemented by Guilin Pharma, a subsidiary, were RMB83,256,998.61, both the invested amount and the replacement amount of the recombinant human insulin (raw material + preparation) industrialization project implemented by Jiangsu Wanbang, a subsidiary, were RMB11,212,594.50, and the invested amount and the replacement amount for the in vitro diagnostic product production base project implemented by Fosun Long March, a subsidiary, were RMB34,261,468.00. The above amounts totaled RMB128,731,061.11.</p>
Temporary replenishment of working capital with idle proceeds	Please refer to III. 5 for details.
Balance of proceeds previously raised and its causes	The project has not been completed.
Other uses of proceeds previously raised	None.

Schedule 2:

Comparison table of the use of proceeds from the 2016 non-public issuance of shares

Unit: RMB'0,000

Total proceeds raised	230,000.00	Accumulated total proceeds used	227,612.09
Total proceeds with changed use	—	Total proceeds used over the years	227,612.09
Proportion of total proceeds with changed use	—	Year 2016	227,524.96
		Year 2017	87.13

Investment project	Total proceeds invested			Accumulated proceeds invested as at the cut-off date				Difference between actual investment amount and committed investment amount after fund raising	Expected time for the project ready for its committed investment projects intended use
	Whether there is any change	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount	Committed investment amount before fund raising	Committed investment amount after fund raising	Actual investment amount		
Repayment of interest-bearing debts due	No	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	—	Not applicable
Replenishment of the working capital	No	67,524.96	67,524.96	67,612.09 (Note 1)	67,524.96	67,524.96	67,612.09 (Note 1)	87.13	Not applicable
Total		<u>227,524.96</u>	<u>227,524.96</u>	<u>227,612.09</u>	<u>227,524.96</u>	<u>227,524.96</u>	<u>227,612.09</u>	<u>87.13</u>	

Note 1: The accumulated investment amount included the interest income from a designated account for the proceeds of RMB871,300.

Schedule 2 (Continued):

Reasons for not meeting the scheduled progress (by specific investment project)	Not applicable.
Upfront investment and fund replacement of investment projects funded by proceeds previously raised	On 9 November 2016, the Company held the fifteenth meeting of the seventh session of the board of directors (an extraordinary meeting) and the 2016 fifth meeting of the seventh session of the supervisory committee (an extraordinary meeting). The meetings considered and approved the Resolution on Use of Proceeds to Replace the Investment of the Self-raised Funds into the Projects Funded by Proceeds (《關於使用募集資金置換預先投入募投項目的自籌資金的議案》), and agreed to use the proceeds of RMB1,600 million to replace the self-raised funds that had been invested.
Temporary replenishment of working capital with idle proceeds	Not applicable.
Balance of proceeds previously raised and its causes	Not applicable.
Other uses of proceeds previously raised	None.

Schedule 3:

**Comparison table of the achievements of projects funded by proceeds raised
in the 2010 Non-public Issuance of shares (as at 31 December 2020)**

Unit: RMB'0,000

No.	Actual investment project Project name	Committed benefits	Achievements in the last three years			Accumulated benefits achieved as at the cut-off date	Whether the expected benefits are achieved
			Year 2018	Year 2019	Year 2020		
1	Recombinant human insulin (raw material + preparation) industrialization project	After the project is put into production, it can generate an average annual operating revenue of RMB1,022,240,000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2	Artesunate high-tech industrialization demonstration project	After the project is put into production, it can generate an average annual operating revenue of RMB341,487,800	84,798.72	87,268.45	101,065.56	540,774.96	Yes
3	In vitro diagnostic product production base project	After the project is put into production, it can generate an average annual operating revenue of RMB297,257,700	58,924.00	56,468.29	91,362.95	443,439.05	Yes

NOTICE OF EGM

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)

NOTICE OF THE 2021 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 second extraordinary general meeting (the “EGM”) of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “Company”) will be held at 1:30 p.m. on Wednesday, 14 July 2021 at Shanghai Film Art Center, No. 160 Xinhua Road, Shanghai, the PRC for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 23 June 2021 (the “Circular”).

SPECIAL RESOLUTION

1. To consider and approve the resolution on the Report on the Use of Proceeds Previously Raised.

By order of the Board

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

Wu Yifang

Chairman

23 June 2021

As at the date of this notice, the executive director of the Company is Mr. Wu Yifang; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Pan Donghui and Mr. Zhang Houlin; 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.

Notes:

1. A holder of H Shares entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote by poll instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of H Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Return of the form of proxy will not preclude any member of H Shares from attending the EGM and voting in person if such member so wishes and in such event, the form of proxy will be deemed to be revoked.

NOTICE OF EGM

3. For the purpose of determining the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Friday, 9 July 2021 to Wednesday, 14 July 2021, both days inclusive. In order to qualify for attending and voting at the EGM, all transfer documents for H Shares together with the relevant share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 8 July 2021.
4. Shareholders who attend the EGM in person or by proxy shall bear their own travelling and accommodation expenses.
5. This notice of EGM is despatched to the holders of H Shares only. The notice of EGM to the holders of A Shares and proxy form are separately published on the websites of the Company (<http://www.fosunpharma.com>) and of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

* *for identification purposes only*