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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)

FOSUN 复星

**復星國際有限公司
FOSUN INTERNATIONAL LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

VOLUNTARY ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS

**ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY
AND CAPITAL INCREASE
AND
GRANT OF PUT OPTION**

ACQUISITION AND CAPITAL INCREASE

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that, on 26 October 2021:

- (1) Fosun Pharma Industrial entered into the Equity Transfer Agreements with each Selling Shareholder in relation to, among others, Fosun Pharma Industrial agreed to purchase an aggregate of approximately 32.52% equity interest in the Target Company held by the Selling Shareholders for an aggregate consideration of approximately RMB1,108.0338 million in cash; and
- (2) Fosun Pharma Industrial entered into the Capital Increase Agreement with the Target Company and Existing Shareholders in relation to, among others, Fosun Pharma Industrial agreed to make a capital contribution by way of injection of the 100% equity interest of Aleph, its subsidiary, at the value of RMB2,898 million, to subscribe for an additional registered capital of RMB47,958,605 of the Target Company, representing 60% of the enlarged total equity interest in the Target Company after completion of the Capital Increase.

Upon the completion of the Acquisition and the Capital Increase, Fosun Pharma Industrial will hold approximately 73.01% of the enlarged total equity interest in the Target Company, and the Target Company will become a subsidiary of Fosun Pharma and Fosun International, and Fosun Pharma Industrial will hold 100% equity interest in Aleph through the Target Company.

GRANT OF PUT OPTION

On 26 October 2021, Fosun Pharma Industrial issued certain undertaking letters to Put Option Holders, pursuant to which Fosun Pharma Industrial granted a Put Option to each Put Option Holder to require Fosun Pharma Industrial to purchase no more than an aggregate of approximately 18.80% equity interest in the Target Company held by them after completion of the Acquisition, during the period from the completion of the transactions under the Capital Increase Agreement but no later than 31 December 2026, subject to the conditions set out in the relevant undertaking letters.

HONG KONG LISTING RULES IMPLICATIONS

Fosun Pharma

As the exercise of each of the Put Option is not at the Fosun Pharma Group's discretion, the grant of each of the Put Option shall be deemed as if the Put Options had been exercised under the Hong Kong Listing Rules. Accordingly, the Acquisition, the Capital Increase and the grant of Put Options shall be aggregated in accordance with the Hong Kong Listing Rules. As all of the relevant applicable percentage ratios (as defined under the Hong Kong Listing Rules) on an aggregate basis are less than 5%, the Acquisition, the Capital Increase and the grant of Put Options do not constitute discloseable transactions for Fosun Pharma. This announcement is made by Fosun Pharma on a voluntary basis.

Fosun International

As the exercise of each of the Put Option is not at the Fosun International Group's discretion, the grant of each of the Put Option shall be deemed as if the Put Options had been exercised under the Hong Kong Listing Rules. Accordingly, the Acquisition, the Capital Increase and the grant of Put Options shall be aggregated in accordance with the Hong Kong Listing Rules. As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) on an aggregate basis are more than 5% but less than 25%, the Acquisition, the Capital Increase and the grant of Put Options constitute discloseable transactions for Fosun International and are subject to notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

A. INTRODUCTION

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that, on 26 October 2021:

- (1) Fosun Pharma Industrial entered into the Equity Transfer Agreements with each Selling Shareholders in relation to, among others, Fosun Pharma Industrial agreed to purchase an aggregate of approximately 32.52% equity interest in the Target Company held by the Selling Shareholders for an aggregate consideration of approximately RMB1,108.0338 million in cash; and

- (2) Fosun Pharma Industrial entered into the Capital Increase Agreement with the Target Company and Existing Shareholders in relation to, among others, Fosun Pharma Industrial agreed to make a capital contribution by way of injection of the 100% equity interest of Aleph, its subsidiary, at the value of RMB2,898 million, to subscribe for an additional registered capital of RMB47,958,605 of the Target Company, representing 60% of the enlarged total equity interest in the Target Company after completion of the Capital Increase.

Upon the completion of the Acquisition and the Capital Increase, Fosun Pharma Industrial will hold approximately 73.01% of the enlarged total equity interest of the Target Company, and the Target Company will become a subsidiary of Fosun Pharma and Fosun International; and Fosun Pharma Industrial will hold 100% equity interest in Aleph through the Target Company.

B. EQUITY TRANSFER AGREEMENTS

On 26 October 2021, Fosun Pharma Industrial entered into the Equity Transfer Agreements with each of the Selling Shareholders, including the CICC Kangrui ETA, Shanghai Heshi ETA, Individual Shareholder ETA I, Individual Shareholder ETA II, Individual Shareholder ETA III, Individual Shareholder ETA IV, Individual Shareholder ETA V, Individual Shareholder ETA VI and Individual Shareholder ETA VII. Pursuant to the terms and conditions of relevant Equity Transfer Agreements, Fosun Pharma Industrial agreed to acquire a total of approximately 32.52% of equity interest of the Target Company held by the Selling Shareholders for an aggregate consideration of approximately RMB1,108.0338 million in cash. To the best knowledge, information and belief of directors of Fosun Pharma and directors of Fosun International, having made all reasonable enquiries, each Selling Shareholders and their ultimate beneficial owners are third parties independent of Fosun Pharma and Fosun International, and not the connected persons of Fosun Pharma and Fosun International.

The principal terms of the Equity Transfer Agreements are set out below.

Assets to be acquired

Subject to the terms and conditions of each Equity Transfer Agreement, each Selling Shareholder agreed to sell, and Fosun Pharma Industrial agreed to acquire the equity interest of the Target Company held by the Selling Shareholders, respectively:

Purchaser	Selling Shareholders	The paid-in registered capital of the Target Company to be transferred (immediately before the completion of the Acquisition and the Capital Increase) (RMB '0,000)	Approximately % of the equity interest in the Target Company immediately before the completion of the Acquisition and the Capital Increase	Consideration (RMB '0,000)
Fosun Pharma Industrial	CICC Kangrui	672.2403	21.03%	88,000.00
	Shanghai Heshi	89.3588	2.79%	6,000.00
	Mr. Zhao Guanghui	30.9407	0.97%	1,869.65
	Ms. Yang Dongni	1.0317	0.03%	62.35
	Mr. Xue Ping	51.4020	1.61%	3,106.08
	Ms. Wang Yan	40.3140	1.26%	2,436.06
	Ms. Yang Jie	31.9724	1.00%	1,932.00
	Mr. Wang Xiao	81.0000	2.53%	4,894.53
	Mr. Feng Chen	41.4167	1.30%	2,502.71
Total		<u>1,039.6766</u>	<u>32.52%</u>	<u>110,803.38</u>

Basis for the consideration

The aggregate consideration for the Acquisition in the amount of RMB1,108.0338 million was determined by the parties to each of the Equity Transfer Agreements through arm's-length negotiation based on the pre-money valuation of the Target Company in the amount of RMB1,932 million, such pre-money valuation was determined through the parties' negotiation taking into account of the following factors: (i) the post-money valuation of the Target Company in the amount of RMB1,462.5 million for the previous financing round (in 2019) (including the capital

contribution of RMB100 million to be made by CICC Kangrui under such previous financing round immediately prior to the completion of the Acquisition and Capital Increase); (ii) the Target Company's vaccine design and process development capabilities based on the patent of polysaccharide-protein multivalent binding, and the development progress of pipeline products including, among others, 13-valent pneumonia conjugate vaccine (PCV13) and 24-valent pneumonia conjugate vaccine (PCV24); and (iii) the agreed basis of valuation ratio of Aleph to the Target Company at 6:4 after the parties' negotiation in connection with the Capital Increase. With respect to the relevant equity interest to be transferred by each of the Selling Shareholders, the consideration of which was separately determined between Fosun Pharma Industrial and each Selling Shareholder through independent arm's-length negotiation based on the foregoing basis taking into account of the following factors:

- (1) with respect to the consideration of RMB880 million for the equity interest in the Target Company to be transferred by CICC Kangrui, it is further considered that extraordinary shareholder rights entitled to CICC Kangrui as an investor of the previous financing round of the Target Company which will substantially affect or decide the Target Company's strategic strategies, material operation and investment decisions (including but not limited to the veto right to strategic material business decisions, composition of the board and supervisory committee, appointment and dismissal of the management of the Target Company). To ensure the effective decision-making for the Acquisition and the subsequent development of the Target Company, certain premium was given based on the pre-money valuation;
- (2) with respect to the consideration for the equity interest in the Target Company to be transferred by the Other Selling Shareholders, it is determined by Fosun Pharma Industrial and each Other Selling Shareholder after arm's-length negotiations based on the said pre-money valuation of the Target Company.

Payment arrangement for relevant Equity Transfer Agreements

- (1) Pursuant to the CICC Kangrui ETA, Fosun Pharma Industrial shall pay the consideration for the equity interest in the Target Company held by CICC Kangrui in the amount of RMB880 million to CICC Kangrui in one lump-sum within 7 Business Days following the satisfaction of the conditions precedent set out therein.
- (2) Pursuant to the Other Selling Shareholders ETA, Fosun Pharma Industrial (i) shall pay 50% of the consideration for the respective equity interest in the Target Company held by the Other Selling Shareholders to each of the Other Selling Shareholders within 7 Business Days following the satisfaction of conditions precedent, and (ii) shall pay the remaining consideration within 7 Business Days following the completion date of filing and registration formalities for the transactions under Other Selling Shareholders ETA, in case of an individual Selling Shareholder, the remaining equity transfer consideration shall be paid after deduction of withholding and payment of the individual income tax.

Conditions precedent of relevant Equity Transfer Agreements

- (1) Pursuant to the CICC Kangrui ETA, the obligation of Fosun Pharma Industrial to pay the consideration for equity interest in the Target Company to be transferred thereunder shall be conditioned upon the fulfillment of the following major conditions:
 - (a) CICC Kangrui has completed the closing and filing and registration formalities for the capital increase under the previous financing round, as a result of which its paid-in registered capital of the Target Company shall be RMB6,722,403;
 - (b) all transaction documents in relation to the Acquisition and Capital Increase having been duly executed and taken effect, and the Target Company having obtained the necessary approvals from its shareholders at the general meeting for the Acquisition and the Capital Increase; and
 - (c) CICC Kangrui having served the payment notice upon Fosun Pharma Industrial in an agreed manner and confirmed that there is no breach of the representations, warranties and undertakings thereby under the CICC Kangrui ETA.
- (2) Pursuant to the Other Selling Shareholders ETA, the obligations of Fosun Pharma Industrial to pay the consideration for the equity interest in the Target Company to be transferred thereunder is subject to the fulfillment of the following major conditions:
 - (a) the Other Selling Shareholders ETA having been duly executed and taken effect;
 - (b) the Target Company having obtained the approval from its shareholders at the general meeting in respect of the Other Selling Shareholders ETA and the transactions thereunder, and the relevant shareholders of the Target Company having waived the right of first refusal, co-sell right and other rights in accordance with laws, regulations and agreements; and
 - (c) the filing and registration formalities regarding the transactions under the CICC Kangrui ETA having been completed.

Effectiveness of the relevant Equity Transfer Agreements

- (1) Pursuant to the CICC Kangrui ETA, such agreement will become effective upon signing by both parties.
- (2) Pursuant to the Other Selling Shareholders ETA, such agreements will become effective upon satisfaction of all the following conditions:
 - (a) each Other Selling Shareholders ETA having been duly executed by the relevant parties;
 - (b) Fosun Pharma Industrial having received the original copy of the signed CICC Kangrui ETA and the Capital Increase Agreement; and

- (c) the transactions under CICC Kangrui ETA, Other Selling Shareholders ETA and the Capital Increase Agreement having been approved by the board and shareholders of the Target Company at the general meeting.

Termination of relevant Equity Transfer Agreements

(1) Subject to the terms of the CICC Kangrui ETA:

- (a) from the effective date of the CICC Kangrui ETA to the completion of transactions thereunder, Fosun Pharma Industrial has the right to unilaterally terminate the CICC Kangrui ETA in the event of any breach by CICC Kangrui of the representations, warranties and undertakings made by it thereunder;
- (b) in any following circumstance, Fosun Pharma Industrial and CICC Kangrui may terminate the CICC Kangrui ETA by mutual agreement in writing: (i) the agreement cannot be performed due to force majeure; (ii) lost of capacity by a party to perform; (iii) both parties agree to terminate the agreement due to changes in circumstances; and (iv) termination in accordance with the law or other terms of the agreement;
- (c) in the event of Fosun Pharma Industrial failed to make the payment for the equity transfer consideration in accordance with the CICC Kangrui ETA, CICC Kangrui may terminate such agreement; but with the consent of CICC Kangrui, the payment deadline of Fosun Pharma Industrial may be extended for 5 Business Days; and
- (d) subject to the completion of equity transfer transaction thereunder, the failure of completion for the filing and registration formalities in respect of registration of the equity interest in Aleph held by Fosun Pharma Industrial to the Target Company under the Capital Increase Agreement shall not affect the effectiveness of the completion of the transaction under the CICC Kangrui ETA.

(2) Subject to the terms of Other Selling Shareholders ETA:

- (a) from the date of the Other Selling Shareholders ETA to the completion date of filing and registration formalities for the equity transfer thereunder, Fosun Pharma Industrial has the right to unilaterally terminate the agreement in the event of any breach by any of the Other Selling Shareholders of their respective representations, warranties and undertakings made by the Other Selling Shareholders in the agreements;
- (b) in any following circumstance, Fosun Pharma Industrial and Other Selling Shareholders may terminate by mutual agreement in writing: (i) the agreement cannot be performed due to force majeure; (ii) lost of capacity by a party to perform; (iii) both parties agree to terminate the agreement due to changes in circumstances; and (iv) termination in accordance with the law or other terms of the agreements; and

- (c) Other Selling Shareholders agree that, if the transactions under the CICC Kangrui ETA or the Capital Increase Agreement failed to complete due to any reasons that are not on part of Fosun Pharma Industrial, Fosun Pharma Industrial has the right to unilaterally terminate the agreements.

C. CAPITAL INCREASE AGREEMENT

On 26 October 2021, Fosun Pharma Industrial, the Target Company and Existing Shareholders entered into the Capital Increase Agreement in relation to, among others, Fosun Pharma Industrial agreed to make a capital contribution by way of injection of the 100% equity interest of Aleph, at the value of RMB2,898 million, to subscribe for an additional registered capital of RMB47,958,605 of the Target Company.

The principal terms of the Capital Increase Agreement are set out below.

Date

26 October 2021

Parties

- (1) Fosun Pharma Industrial;
- (2) the Target Company; and
- (3) Existing Shareholders

Capital Increase

Pursuant to the Capital Increase Agreement, Fosun Pharma Industrial agreed to make a capital contribution by way of injection of the 100% equity interest of Aleph, which was priced at RMB2,898 million, to subscribe for an additional registered capital of RMB47,958,605 of the Target Company, representing 60% of the enlarged total equity interest of the Target Company.

The capital contribution to be made under the Capital Increase Agreement was determined based on the pre-money valuation of the Target Company in the amount of RMB1,932 million as determined by the parties thereto after arms'-length negotiation, and the agreed basis of valuation ratio of the Target Company to Aleph at 4:6 through negotiation between the parties. The value of 100% equity interest in Aleph in the amount of RMB2,898 million was determined by the parties through arms'-length negotiation based on the valuation of Aleph in the amount of RMB2,550 million as at the Valuation Benchmark Date as set out in the Aleph Valuation Report issued by the Appraiser using market approach, and the further capital increase to Aleph in the amount of RMB348 million by Fosun Pharma Industrial after the Valuation Benchmark Date.

Completion

Pursuant to the terms of Capital Increase Agreement, the completion shall proceed within 10 Business Days following the satisfaction date or exemption date of conditions precedent (except for those to be satisfied upon the completion due to the nature). On the completion date, the Target Company shall deliver relevant closing documents including register of shareholders and capital contribution certificate to Fosun Pharma Industrial, and Fosun Pharma Industrial shall ensure and procure Aleph to apply and complete the filing and registration formalities in respect of transfer of 100% equity interest of Aleph held by Fosun Pharma Industrial to the Target Company with Dalian Municipal Administration for Market Regulation or its branch within ten (10) Business Days following the completion date.

Conditions Precedent

Pursuant to the Capital Increase Agreement, the obligation of Fosun Pharma Industrial to make the capital contribution thereunder (i.e. transfer the 100% equity interest of Aleph to the Target Company) is subject to the fulfillment of the following major conditions (or waived in writing):

- (1) the Target Company having completed the necessary internal procedures for the Capital Increase and relevant transactions, and relevant shareholders have waived the pre-emptive rights;
- (2) senior management and core technical personnel of the Target Company having entered into service contracts that are reasonably satisfactory to Fosun Pharma Industrial;
- (3) except for those agreed in the Capital Increase Agreement, there are no major changes in the shareholding structure and corporate governance of the Target Company from the date of the Capital Increase Agreement to the completion date of the Capital Increase;
- (4) from 31 July 2021 to the completion date, no material adverse changes or changes may cause material impact in respect of the business, assets, personnel, operating conditions, financial status and development prospects of the Target Company;
- (5) the resolutions of general meeting and board of the Target Company having been duly passed to designate directors appointed by Fosun Pharma Industrial, and the change in composition of the board of directors having been completed;
- (6) Ms. Yang Dongni, Mr. Zhao Guanghui, Mr. Xue Ping, Ms. Wang Yan and Ms. Yang Jie having entered into the supplemental agreement to terminate the implementation of the concert party agreement dated December 2018; and
- (7) with respect to the Capital Increase, the Target Company having notified the banks and guarantors in writing and having obtained their written consent.

Effectiveness

The Capital Increase Agreement shall become effective upon signing by parties on 26 October 2021.

Termination

- (1) Upon occurrence of the following events, Fosun Pharma Industrial shall have the right to terminate the Capital Increase Agreement:
 - (a) one or more of the conditions precedent for the Capital Increase are not satisfied on 31 December 2021 or any other date agreed by the Target Company and Fosun Pharma Industrial in writing;
 - (b) any breach of representations, warranties, undertakings or agreements under the Capital Increase Agreement by the Target Company and Founding Shareholders, and unable to be rectified or failed to be rectified within 10 Business Days following the written request for rectification from Fosun Pharma Industrial; and
 - (c) the transactions under the CICC Kangrui ETA failed to complete.
- (2) Upon occurrence of the following events, the Target Company shall have the right to terminate the Capital Increase Agreement:
 - (a) each of the conditions precedent is satisfied, but the completion is unable to proceed before the 7th Business Day following the deadline, except for any delay willfully caused by Fosun Pharma Industrial; and
 - (b) any breach of representations, warranties, undertakings or agreements by Fosun Pharma Industrial, and such breach is unable to be rectified or failed to be rectified within 10 Business Days following the written request for rectification from the Target Company.
- (3) The Capital Increase Agreement may be terminated upon mutual agreement in writing by all the parties thereto.

Shareholders Agreement

Pursuant to the Capital Increase Agreement, Fosun Pharma Industrial, the Target Company and the Remaining Shareholders entered into the Shareholders Agreement on 26 October 2021, in relation to, among others, the corporate governance matters of the Target Company, and reached an agreement that during the period that Fosun Pharma Industrial holding the equity interest of the Target Company, Fosun Pharma Industrial will provide the Target Company with funds required for its daily operations and R&D by ways of shareholder borrowings and providing guarantees for its loans and other way permitted by laws and regulations, with the maximum amount of RMB500 million (inclusive). Further, the Founding Shareholders committed that in order to guarantee the Target Company's settlement of the above liabilities of Fosun Pharma Industrial, the Founding

Shareholders, Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping and Ms. Wang Yan, shall create charge over their respective registered capital in the Target Company in favour of Fosun Pharma Industrial (i.e., the amount of RMB6,364,962, RMB1,728,227, RMB3,052,200 and RMB1,239,970 held thereby, respectively, and further registered capital acquired as a result of stock reform, capitalization of profit and capital reserves or otherwise by way of similar to capital reorganisation), until the above liabilities are settled.

D. SHAREHOLDING STRUCTURE

The illustrative table below sets forth the shareholding structure of the Target Company immediately before and after completion of the Acquisition and the Capital Increase:

Shareholders	Before the completion of the Acquisition and the Capital Increase		After the completion of the Acquisition and the Capital Increase	
	Subscribed registered capital (RMB '0,000)	% of equity interest	Subscribed registered capital (RMB '0,000)	% of equity interest
Chengdu Jiefurui	116.9600	3.66%	116.9600	1.46%
Mr. Zhao Guanghui	667.4369	20.88%	636.4962	7.96%
Ms. Yang Dongni	173.8544	5.44%	172.8227	2.16%
Mr. Xue Ping	433.1096	13.55%	381.7076	4.78%
Ms. Wang Yan	187.9418	5.88%	147.6278	1.85%
Ms. Yang Jie	195.6610	6.12%	163.6886	2.05%
Mr. Wang Xiao	91.0000	2.85%	10.0000	0.13%
Ms. Zhao Xue	70.4084	2.20%	70.4084	0.88%
Mr. Feng Chen	41.4167	1.30%	—	—
Jingxu Investment	140.0000	4.38%	140.0000	1.75%
Innovation and Venture Fund	105.0000	3.28%	105.0000	1.31%
Guangzhou Lichuang	91.0000	2.85%	91.0000	1.14%
Mr. Lin Guochun	14.0000	0.44%	14.0000	0.18%
Shanghai Heshi	113.4612	3.55%	24.1024	0.30%
Aopu Yinsuo	83.7500	2.62%	83.7500	1.05%
CICC Kangrui	672.2403	21.03%	—	—
Fosun Pharma Industrial	—	—	5,835.5371	73.01%
Total	<u>3,197.2403</u>	<u>100%</u>	<u>7,993.1008</u>	<u>100%</u>

Upon the completion of the transactions under the Equity Transfer Agreements and the Capital Increase Agreement, Fosun Pharma Industrial will hold 73.01% equity interest of the Target Company and hold 100% equity interest of Aleph through the Target Company.

E. GRANT OF PUT OPTION

On 26 October 2021, Fosun Pharma Industrial issued certain undertaking letters to Put Option Holders, pursuant to which Fosun Pharma Industrial granted a Put Option to each Put Option Holder to require Fosun Pharma Industrial to purchase no more than an aggregate of approximately 18.80% equity interest in the Target Company held by them after completion of the Acquisition, during the period from the completion of the transactions under the Capital Increase Agreement but no later than 31 December 2026, subject to the conditions set out in the relevant undertaking letter.

Put Option

After the completion of the transactions under the Capital Increase Agreement, in the events that 13-valent pneumonia conjugate vaccine (PCV13) and 24-valent pneumonia conjugate vaccine (PCV24), product of the Target Company under development, have achieved the agreed clinical trial milestone, and the Put Option Holders shall have the right to notify Fosun Pharma Industrial in writing no later than 31 December 2026 (other than in the event of an initial public offering or listing of the Target Company having been completed), to require Fosun Pharma Industrial only once, to purchase all or part of the equity interest of the Target Company held by them at that time (excluding the additional registered capital of the Target Company held by the Put Option Holders after the completion of the transactions of the Capital Increase Agreement, by way of subscription of additional registered capital of the Target Company, equity incentives, transfer, inheritance or donation), with the price of RMB93.83 per unit of registered capital (subject to adjustment) and the maximum amount of the total transfer price shall not exceeding RMB1,410.0367 million. The transfer price shall be calculated based on the registered capital actually transferred by the Put Option Holders at that time.

Exercise Price

The equity interest of the Target Company held by Put Option Holders immediately after the completion of the transaction under the Capital Increase Agreement, and the maximum transfer price for exercising the option are set out as follows:

Put Option Holders	Subscribed registered capital (RMB '0,000)	% of equity interest (after completion of the Acquisition and the Capital Increase)	Maximum transfer price (RMB '0,000)
Mr. Zhao Guanghui	636.4962	7.96%	59,722.44
Ms. Yang Dongni	172.8227	2.16%	16,215.95
Mr. Xue Ping	381.7076	4.78%	35,815.63
Ms. Wang Yan	147.6278	1.85%	13,851.92
Jingxu Investment	140.0000	1.75%	13,136.2
Shanghai Heshi	24.1024	0.30%	2,261.53
Total	<u>1,502.7567</u>	<u>18.80%</u>	<u>141,003.67</u>

The maximum transfer price for exercising a Put Option was determined between Fosun Pharma Industrial and each Put Option Holder through arms'-length negotiation based on the then enterprise value of the Target Company, such enterprise value was determined between the parties through arms'-length negotiation taking into account of the factors including, among others, the clinical trial having been completed in respect of the 13-valent pneumonia conjugate vaccine (PCV13) by the relevant time, which may minimize the uncertainty in associate with the obtaining of approval, and the value of the Target Company's clinically proven multivalent conjugate vaccine technology.

If the Put Option is fully exercised, it is expected that Fosun Pharma Industrial will hold up to approximately 91.81% equity interest of the Target Company (without taking into account other factors that may cause changes in equity interest of the Target Company before the exercise of the Put Option).

F. REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS AND CAPITAL INCREASE AGREEMENT AND GRANT OF PUT OPTION

The Target Company is a vaccine R&D and manufacturing company with a unique patented technology of polysaccharide-protein multivalent combination, focusing on the R&D of bacterial vaccines. Its 13-valent pneumococcal multivalent conjugate vaccine with independent intellectual property rights will start phase III clinical trials, and the 24-valent pneumococcal multivalent conjugate vaccine will start phase I clinical trials. Further, it is actively deploying R&D of ACHib-conjugated meningococcal vaccine. The bacterial vaccine R&D capabilities and reserved product of the Target Company are able to form complementarity and synergy with the viral vaccine product line of Aleph. Upon the completion of the Acquisition and Capital Increase, it is conducive to strengthen the vaccine R&D capabilities and reserved products of the Fosun Pharma Group.

Upon the completion of the Acquisition and the Capital Increase, Fosun Pharma Industrial will hold approximately 73.01% of the enlarged equity interest of the Target Company, and the Target Company will become a subsidiary of Fosun Pharma and Fosun International, and Fosun Pharma Industrial will hold 100% equity interest in Aleph through the Target Company.

The directors of Fosun Pharma and directors of Fosun International believe that the terms of the Equity Transfer Agreements, the Capital Increase Agreement and the grant of Put Option are on normal commercial terms, fair and reasonable and in the interests of Fosun Pharma and Fosun International and their respective shareholders as a whole.

G. FINANCIAL IMPACT OF THE CAPITAL INCREASE

Under the Capital Increase Announcement, the capital contribution by way of injection of the 100% equity interest of Aleph to subscribe for an additional registered capital of the Target Company constitutes a deemed disposal of equity interest of Aleph held by Fosun International. Upon the completion of the Capital Increase, Aleph will remain as the subsidiary of Fosun International and there will be no gain or loss arising from the deemed disposal.

H. INFORMATION ON THE TARGET COMPANY AND ALEPH

Target Company

The Target Company is a company registered in PRC with limited liability, and is mainly engaged in the R&D and manufacturing of bacterial vaccine.

The consolidated net profits (both before and after taxation) attributable to the equity holders of the Target Company for the two fiscal years immediately preceding the Acquisition and the Capital Increase (in accordance with the China Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December	
	2020	2019
	(audited)	(audited)
	<i>approximately</i>	<i>approximately</i>
	<i>RMB million</i>	<i>RMB million</i>
Net profit/(loss) before tax	(40.13)	(3.20)
Net profit/(loss) after tax	(40.13)	(3.20)

The audited consolidated total assets and net assets of the Target Company were approximately RMB305.57 million and RMB165.57 million, respectively, as at 31 July 2021.

Aleph

Aleph is a company registered in PRC with limited liability, and is mainly engaged in the R&D and manufacturing of virus vaccine.

The consolidated net profits (both before and after taxation) attributable to the equity holders of Aleph for the two fiscal years immediately preceding the Acquisition and the Capital Increase (in accordance with the China Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December	
	2020	2019
	(audited)	(audited)
	<i>approximately</i>	<i>approximately</i>
	<i>RMB million</i>	<i>RMB million</i>
Net profit/(loss) before tax	85.18	(23.10)
Net profit/(loss) after tax	109.66	(28.64)

The audited consolidated total assets and net assets of Aleph were approximately RMB768.62 million and RMB57.79 million, respectively, as at 31 July 2021.

I. INFORMATION ON OTHER PARTIES

Fosun Pharma Group

Fosun Pharma Group is a leading healthcare group in the PRC and is mainly engaged in pharmaceutical manufacturing, medical devices and medical diagnosis, healthcare services as well as pharmaceutical distribution and retail.

Fosun International Group

Fosun International Group is an innovation-driven consumer group with mission to provide high-quality products and services for families around the world in Health, Happiness, Wealth and Intelligent Manufacturing segments.

CICC Kangrui

CICC Kangrui is a limited partnership established in PRC, its executive partner is CICC Kangzhi (Ningbo) Equity Investment Management Co., Ltd.* (中金康智(寧波)股權投資管理有限公司), and is mainly engaged in private equity investment.

Shanghai Heshi

Shanghai Heshi is a limited partnership established in PRC, its executive partner is Shanghai Kangming Investment Management Co., Ltd.* (上海康明投資管理有限公司), and is mainly engaged in investment management, consulting, asset management, industrial investment, business information consulting, corporate management consulting, corporate image planning and conference services.

Individual Shareholders

The individual shareholders are Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping, Ms. Wang Yan, Ms. Yang Jie, Mr. Wang Xiao, Ms. Zhao Xue, Mr. Feng Chen and Mr. Lin Guochun, all of which are Chinese citizens.

Chengdu Jiefurui

Chengdu Jiefurui is a company registered in PRC with limited liability, and is mainly engaged in project investment and social economic consulting.

Jingxu Investment

Jingxu Investment is a limited partnership established in PRC, its executive partner is Shanghai Jingxu Venture Capital Co., Ltd.* (上海景旭創業投資有限公司), and is mainly engaged in asset management, business information consulting, investment consulting, investment management, industrial investment, conference services, corporate management consulting, business information consulting, corporate image planning.

Innovation and Venture Fund

Innovation and Venture Fund is a limited partnership established in PRC, its executive partner is Sichuan Innovation Development Investment Management Co., Ltd.* (四川創新發展投資管理有限公司), and is mainly engaged in non-publicly traded equity investment in non-listed companies and non-publicly issued equity of listed companies, and relevant consulting services.

Aopu Yinsuo

Aopu Yinsuo is a limited partnership established in PRC, its executive partner is Chengdu Keaite Enterprise Management Consulting Co., Ltd.* (成都科愛特企業管理諮詢有限責任公司), and is an employee's shareholding platform of the Target Company.

J. HONG KONG LISTING RULES IMPLICATIONS

Fosun Pharma

As the exercise of each of the Put Option is not at the Fosun Pharma Group's discretion, the grant of each of the Put Option shall be deemed as if the Put Options had been exercised under the Hong Kong Listing Rules. Accordingly, the Acquisition, the Capital Increase and grant of Put Options shall be aggregated in accordance with the Hong Kong Listing Rules. As all of the relevant applicable percentage ratios (as defined under the Hong Kong Listing Rules) on an aggregate basis are less than 5%, the Acquisition, the Capital Increase and grant of Put Options do not constitute discloseable transactions for the Company. This announcement is made by Fosun Pharma on a voluntary basis.

Fosun International

As the exercise of each of the Put Option is not at the Fosun International Group's discretion, the grant of each of the Put Option shall be deemed as if the Put Options had been exercised under the Hong Kong Listing Rules. Accordingly, the Acquisition, the Capital Increase and grant of Put Options shall be aggregated in accordance with the Hong Kong Listing Rules. As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) on an aggregate basis are more than 5% but less than 25%, the Acquisition, the Capital Increase and grant of Put Options constitute discloseable transactions for Fosun International and are subject to notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

K. DEFINITIONS

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

“A Share(s)”	the domestic Share(s) of Fosun Pharma with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Acquisition”	pursuant to relevant Equity Transfer Agreement, the acquisition of an aggregate of approximately 32.52% equity interest of the Target Company held by each of the Selling Shareholders by Fosun Pharma Industrial
“Aleph”	Dalian Aleph Biomedical Co., Ltd.* (大連雅立峰生物製藥有限公司), a company incorporated in the PRC with limited liability and a subsidiary of Fosun Pharma and Fosun International
“Aleph Valuation Report”	the assets valuation report issued by the Appraiser in respect of the owners’ equity interest of Aleph as at the Valuation Benchmark Date
“Aopu Yinsuo”	Chengdu Aopu Yin Suo Enterprise Management Consulting Partnership (Limited Partnership)* (成都奧普尹索企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC, of which the executive partner is Chengdu Keaite Enterprise Management Consulting Co., Ltd.* (成都科愛特企業管理諮詢有限公司), and holds approximately 2.62% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“Appraiser”	Shanghai Dongzhou Asset Appraisal Co., Ltd.* (上海東洲資產評估有限公司), an independent third-party appraiser of Fosun Pharma and Fosun International
“Business Day”	any day(s) excluding Saturday and Sunday on which banks are generally open for business
“Capital Increase”	pursuant to the Capital Increase Agreement, the subscription of additional registered capital of RMB47,958,605 by Fosun Pharma Industrial by capital injection of 100% equity interest of Aleph, at the value of RMB2,898 million

“Capital Increase Agreement”	the capital increase agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and the Existing Shareholders, in relation to the subscription of the additional registered capital of the Target Company
“Chengdu Jiefurui”	Chengdu Jiefurui Investment Co., Ltd.* (成都傑弗瑞投資有限公司), a company registered in the PRC with limited liability, and holds approximately 3.66% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“CICC Kangrui”	CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership)* (中金康瑞壹期(寧波)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC, and holds approximately 21.03% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“CICC Kangrui ETA”	the Equity Transfer Agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and CICC Kangrui in relation to acquisition of 21.03% equity interest of the Target Company held by CICC Kangrui by Fosun Pharma Industrial
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Equity Transfer Agreements”	the CICC Kangrui ETA, Shanghai Heshi ETA, the Individual Shareholder ETA I, the Individual Shareholder ETA II, the Individual Shareholder ETA III, the Individual Shareholder ETA VI, the Individual Shareholder ETA V, the Individual Shareholder ETA VI and the Individual Shareholder ETA VII
“Existing Shareholders”	the shareholders of the Target Company (excluding Guangzhou Lichuang), including Chengdu Jiefurui, Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping, Ms. Wang Yan, Ms. Yang Jie, Mr. Wang Xiao, Ms. Zhao Xue, Mr. Feng Chen, Jingxu Investment, Innovation and Venture Fund, Mr. Lin Guochun, Shanghai Heshi, Aopu Yinsuo and CICC Kangrui
“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong, whose shares are listed and traded on the Main Board of the Hong Kong Stock Exchange and the controlling shareholder of Fosun Pharma
“Fosun International Group”	Fosun International and its subsidiaries

“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
“Fosun Pharma Group”	Fosun Pharma and its subsidiaries
“Fosun Pharma Industrial”	Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (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 Fosun Pharma and Fosun International
“Founding Shareholder(s)”	Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping and Ms. Wang Yan
“Guangzhou Lichuang”	Guangzhou Lichuang No. 6 Industrial Investment Partnership (Limited Partnership)* (廣州立創六號實業投資合夥企業(有限合夥)), a limited partnership established in the PRC, and holds approximately 2.85% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“H Share(s)”	the overseas listed share(s) of Fosun Pharma with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Individual Shareholder ETA I”	the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Mr. Zhao Guanghui, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB309,407 held by Mr. Zhao Guanghui (representing approximately 0.97% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial

- “Individual Shareholder ETA II” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Ms. Yang Dongni, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB10,317 held by Ms. Yang Dongni (representing approximately 0.03% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
- “Individual Shareholder ETA III” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Mr. Xue Ping, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB514,020 held by Mr. Xue Ping (representing approximately 1.61% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
- “Individual Shareholder ETA IV” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Ms. Wang Yan, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB403,140 held by Ms. Wang Yan (representing approximately 1.26% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
- “Individual Shareholder ETA V” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Ms. Yang Jie, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB319,724 held by Ms. Yang Jie (representing approximately 1.00% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
- “Individual Shareholder ETA VI” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Mr. Wang Xiao, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB810,000 held by Mr. Wang Xiao (representing approximately 2.53% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
- “Individual Shareholder ETA VII” the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Mr. Feng Chen, in relation to the acquisition of all the paid-in registered capital of the Target Company of RMB414,167 held by Mr. Feng Chen (representing approximately 1.30% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial

“Innovation and Venture Fund”	Sichuan Innovation and Venture Capital Equity Investment Fund Partnership (L.P.)* (四川省創新創業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC, and holds approximately 3.28% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“Jingxu Investment”	Shanghai Jingxu Changzheng Linghui Investment Center (Limited Partnership)* (上海景旭長征凌輝投資中心(有限合夥)), a limited partnership established in the PRC, and holds approximately 4.38% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“Other Selling Shareholders”	Shanghai Heshi, Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping, Ms. Wang Yan, Ms. Yang Jie, Mr. Wang Xiao and Mr. Feng Chen
“Other Selling Shareholders ETA”	Shanghai Heshi ETA, Individual Shareholder ETA I, Individual Shareholder ETA II, Individual Shareholder ETA III, Individual Shareholder ETA IV, Individual Shareholder ETA V, Individual Shareholder ETA VI and Individual Shareholder ETA VII
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“Put Option”	a put option granted by Fosun Pharma Industrial by issuing an undertaking to each of the Put Option Holders, respectively, on 26 October 2021, subject to conditions set out in the undertaking, after the completion of the transactions under the Capital Increase Agreement but no later than 31 December 2026, each of the Put Option Holders is entitled to require Fosun Pharma Industrial to purchase all or part of the equity interest of the Target Company held by them at that time
“Put Option Holder”	Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping, Ms. Wang Yan, Jingxu Investment and Shanghai Heshi
“R&D”	research and development

“Remaining Shareholders”	the shareholders of the Target Company after the completion of the Acquisition and Capital Increase (excluding Fosun Pharma Industrial and Guangzhou Lichuang), including Chengdu Jiefurui, Mr. Zhao Guanghui, Ms. Yang Dongni, Mr. Xue Ping, Ms. Wang Yan, Ms. Yang Jie, Mr. Wang Xiao, Ms. Zhao Xue, Jingxu Investment, Innovation and Venture Fund, Mr. Lin Guochun, Shanghai Heshi and Aopu Yinsuo
“RMB”	Renminbi, the lawful currency of the PRC
“Selling Shareholders”	CICC Kangrui, Shanghai Heshi, Mr. Zhao Guanghui, Mr. Xue Ping, Ms. Wang Yan, Ms. Yang Dongni, Ms. Yang Jie, Mr. Wang Xiao and Mr. Feng Chen
“Shanghai Heshi”	Shanghai Heshi Investment Center (Limited Partnership)* (上海禾實投資中心 (有限合夥)), a limited partnership established in the PRC, and holds approximately 3.55% equity interest of the Target Company immediately before the completion of the Acquisition and Capital Increase
“Shanghai Heshi ETA”	the equity transfer agreement dated 26 October 2021 entered into between Fosun Pharma Industrial and Shanghai Heshi, in relation to the acquisition of the paid-in registered capital of the Target Company of RMB893,588 held by Shanghai Heshi (representing approximately 2.79% equity interest of the Target Company immediately before the Acquisition) by Fosun Pharma Industrial
“Shareholders Agreement”	the shareholders agreement dated 26 October 2021 entered into between Fosun Pharma Industrial, the Target Company and the Remaining Shareholders
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Target Company”	Chengdu Antejin Biotech Co., Ltd.* (成都安特金生物技術有限公司), a company registered in the PRC with limited liability

“Valuation Benchmark Date” 31 July 2021

“%” per cent

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

By order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, PRC

27 October 2021

As at the date of this announcement, the executive Director of Fosun Pharma is Mr. Wu Yifang; the non-executive Directors of Fosun Pharma 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 Fosun Pharma are Ms. Li Ling, Mr. Tang Guliang, Mr. Wang Quandi and Mr. Yu Tze Shan Hailson.

As at the date of this announcement, the executive directors of Fosun International are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetang and Mr. Gong Ping; the non-executive directors of Fosun International are Ms. Chen Shucui, Mr. Zhuang Yuemin and Mr. Yu Qingfei; and the independent non-executive directors of Fosun International are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.

* For identification purposes only