

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# **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)**

### **VOLUNTARY ANNOUNCEMENT**

### **ENTERING INTO SALE AND PURCHASE AGREEMENTS**

#### **THE PROPOSED ACQUISITIONS**

The Board is pleased to announce that on 6 June 2022, the Purchaser (a subsidiary of the Company) agreed to purchase 51% and 9% equity interest in the Target Company respectively from the First Vendor and the Second Vendors under (i) the Solid Success Sale and Purchase Agreement and (ii) the Other Shareholders' Sale and Purchase Agreement for a cash consideration which shall not exceed SGD185.021 million and SGD32.651 million respectively. Upon completion of the Proposed Acquisitions, the Target Company will become a subsidiary of the Company.

As all the applicable percentage ratios in relation to the Proposed Acquisitions contemplated under the Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement, on an aggregated basis, are less than 5%, the Proposed Acquisitions do not constitute notifiable transactions of the Company under Chapter 14 of the Hong Kong Listing Rules. This announcement is therefore made by the Company on a voluntary basis.

#### **A. PROPOSED ACQUISITIONS**

The Board is pleased to announce that on 6 June 2022, the Purchaser (a subsidiary of the Company) agreed to purchase 51% and 9% equity interest in the Target Company respectively from the First Vendor and the Second Vendors under (i) the Solid Success Sale and Purchase Agreement and (ii) the Other Shareholders' Sale and Purchase Agreement for a cash consideration which shall not exceed SGD185.021 million and SGD32.651 million respectively. Upon completion of the Proposed Acquisitions, the Target Company will become a subsidiary of the Company.

## **1. Solid Success Sale and Purchase Agreement and Other Shareholders' Sale and Purchase Agreement**

The principal terms of the Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement are summarized below:

### ***Date***

6 June 2022

### ***Parties***

#### *Solid Success Sale and Purchase Agreement*

- (1) the First Vendor;
- (2) Aurora Healthcare; and
- (3) the Purchaser

#### *Other Shareholders' Sale and Purchase Agreement*

- (1) SMS;
- (2) Mr. Chuah Yen Seong, Benjamin;
- (3) Mr. Kevin Tay Kuang Wei;
- (4) Mr. Wong Nan Soon; and
- (5) the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the First Vendor, Aurora Healthcare and each of the Second Vendors are third parties independent of the Company and its connected persons.

### *Shareholding structure*

The illustrative table below sets forth the shareholding structure of the Target Company before and after the completion of the Proposed Acquisitions:

*Unit: share*

Shareholders	Before completion		Change as a result of the Proposed Acquisitions		After completion	
	Shareholding	% of equity interest	Shareholding	% of equity interest	Shareholding	% of equity interest
<b>First Vendor</b>	2,040,000	51.00%	(2,040,000)	(51.00%)	—	—
<b>Purchaser</b>	—	—	2,400,000	60.00%	2,400,000	60.00%
<b>Second Vendors</b>						
(i) SMS	1,831,374	45.78%	(336,374)	(8.41%)	1,495,000	37.38%
(ii) Chuah Yen Seong, Benjamin	44,713	1.12%	(8,213)	(0.21%)	36,500	0.91%
(iii) Kevin Tay Kuang Wei	44,713	1.12%	(8,213)	(0.21%)	36,500	0.91%
(iv) Wong Nan Soon	39,200	0.98%	(7,200)	(0.18%)	32,000	0.80%
<b>Total</b>	<u>4,000,000</u>	<u>100%</u>	<u>—</u>	<u>—</u>	<u>4,000,000</u>	<u>100%</u>

### *Consideration and payment*

The Purchaser proposed to purchase (i) 51% equity interest in the Target Company held by the First Vendor and (ii) a total of 9% equity interest in the Target Company held by the Second Vendors for a cash consideration determined based on the enterprise value of the Target Company plus an adjusted amount based on the completion accounts as multiplied by 51% and 9%, which is capped at SGD185.021 million and SGD32.651 million respectively (including this stated amount).

Pursuant to the Solid Success Sale and Purchase Agreement, the transfer of the 51% equity interest in the Target Company shall be completed on the 10th business day after the conditions precedent to the agreement have been satisfied (or waived) or a date as otherwise agreed by the parties in writing. At that time, the Purchaser shall pay the First Vendor a cash consideration of SGD182.930 million (the estimated consideration). Pursuant to the Other Shareholders' Sale and Purchase Agreement, the transfer of the 9% equity interest in the Target Company shall be completed on the 10th business day after the conditions precedent to the agreement have been satisfied (or waived) or a date as otherwise agreed by the parties in writing. At that time, the Purchaser shall pay the Second Vendors a cash consideration of SGD32.282 million (the estimated consideration).

The final consideration for Target Equity I and Target Equity II will be determined respectively based on the information contained in the completion accounts as at the completion date as agreed by the parties minus the aforementioned estimated consideration, which shall be paid in the absolute amount by the Purchaser (if the relevant adjustment amount is positive) or by the First Vendor or the Second Vendors (if the relevant adjustment amount is negative) to the other party on the 5th business day after the completion accounts have been agreed by the parties accordingly.

The Purchaser will settle the consideration for the Proposed Acquisitions with internally generated funds.

### ***Conditions precedent***

Completion of the transactions under the Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement is conditional upon the following relevant conditions being satisfied on or before 31 August 2022 (or such later date as the parties thereto may agree in writing) (or being waived), among other things:

- (1) the shareholder(s) and director(s) of the First Vendor and SMS approving the sale of Target Equity I and Target Equity II, respectively;
- (2) the directors of the Purchaser approving the Proposed Acquisitions;
- (3) the Shareholders' Agreement having been executed by the relevant parties thereto;
- (4) the relevant shareholders of the Target Company as specified in the Solid Success Sale and Purchase Agreement or Other Shareholders' Sale and Purchase Agreement (as the case may be) having provided written consent to the sale and purchase of the relevant equity interest in the Target Company and having provided the written waiver of its/his right of first offer and tag-along rights to the sale and purchase of shares;
- (5) the Target Company having obtained all required third-party approvals and change of control consents in relation to the Proposed Acquisitions;
- (6) no material adverse effect having occurred to the Target Company from 6 June 2022, the date on which the Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement are entered into;
- (7) each of the warranties made by the First Vendor and the Second Vendors under the relevant agreement being true and accurate as of the date of the relevant agreement and immediately prior to completion; and
- (8) the following PRC outbound investment filings or approval having been completed by the Purchaser in respect of the Proposed Acquisitions; and

(9) in respect of the completion of Target Equity II under the Other Shareholders' Sale and Purchase Agreement, Target Equity I under the Solid Success Sale and Purchase Agreement having completed pursuant to its terms.

***Others***

Aurora Healthcare unconditionally and irrevocably guarantees to the Purchaser the punctual discharge by the First Vendor of its obligations of whatever nature under the Solid Success Sale and Purchase Agreement (including its liabilities to pay damages, agreed or otherwise under the Agreement) and undertakes to pay on demand each such sum the First Vendor is liable to pay under the Solid Success Sale and Purchase Agreement.

**2. Shareholders' Agreement**

The Purchaser enters into the Shareholders' Agreement with the Second Vendors and the Target Company with respect to certain affairs of the Target Company post-completion.

The terms of the Shareholders' Agreement are effective upon the completion of the Proposed Acquisitions.

The Shareholders' Agreement shall cease to have effect, among other things, upon the dissolution of the Company, its initial public offering or with the consensus of all the shareholders.

After the completion of the Proposed Acquisitions, the board of directors of the Target Company shall comprise of 5 directors, among which the Purchaser shall be entitled to appoint 3 directors and SMS shall be entitled to appoint two directors. The Purchaser shall be entitled to appoint one of the Purchaser's directors to be the chairperson of the board of directors of the Target Company. After the completion of the Proposed Acquisitions, the day-to-day operations of the Target Company shall be managed by two co-chief executive officers, one chief operating officer and a chief financial officer. The Purchaser shall be entitled to nominate one co-chief executive officer and one chief financial officer and SMS shall be entitled to nominate one co-chief executive officer. After the completion, Mr. Ang Cher Siang Peter will be nominated as the first chief operating officer.

Furthermore, after the completion of the Proposed Acquisitions, subject to the approval by the directors and/or the shareholders of the Target Company, the Target Company will adopt an employee share award scheme, and the shares of the Target Company under the employee share award scheme shall be equivalent to 7% of the then total issued shares in the Target Company.

## **B. REASONS FOR AND BENEFIT OF ENTERING INTO THE SOLID SUCCESS SALE AND PURCHASE AGREEMENT AND THE OTHER SHAREHOLDERS' SALE AND PURCHASE AGREEMENT**

The Target Company is currently one of the local largest private medical oncology specialist centres. Relying on Singapore's sound medical system, rapid review mechanism for drug registration, the sound insurance payment system, the extensive access to new drugs, and with immuno-oncology therapy and cancer targeted therapy being its featured forte, the completion of the Proposed Acquisitions will contribute to the expansion of the Group's medical services business in the Southeast Asian region and further strengthen the Group's comprehensive solution capabilities in the field of cancer treatment.

After the completion of the Proposed Acquisitions, the Purchaser will hold a total of 60% of the equity interest of the Target Company, and the Target Company will be consolidated into the financial statements of the Group.

The Directors consider that the terms of Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement are on normal commercial terms that are fair and reasonable, and the Proposed Acquisitions are in the interests of the Company and its Shareholders as a whole.

## **C. INFORMATION ON PARTIES TO THE TRANSACTION**

### **The Group**

The 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.

### **Target Company**

The Target Company is a company incorporated in Singapore with limited liability, and is one of the local largest private medical oncology specialist centers in Singapore. It brings together medical oncologists with various sub-specialty and palliative specialist in Singapore to provide a one-stop multi-disciplinary services, including diagnosis, cancer treatment, palliative treatment and other professional medical services for local and international patients in Singapore. It is also well-regarded for treatment of breast cancer, lung cancer, and colorectal cancer with immuno-oncology therapy and cancer targeted therapy being its featured forte. The Target Company has set up a total of 7 clinics in major private medical centers in Singapore, including the only private medical oncology medical center for female in Singapore. 51% of the equity interest in the Target Company is owned by the First Vendor which in turn is controlled by Mr. Liu Dianbo\* (劉殿波).

## **The Purchaser**

The Purchaser, a subsidiary of the Company, is a company incorporated in Singapore with limited liability. As at the date of this announcement, it is indirectly owned as to 100% equity interest by the Company.

## **First Vendor**

The First Vendor is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, 100% of the equity interest in the First Vendor is owned by the Aurora Healthcare which in turn is controlled by Mr. Liu Dianbo\* (劉殿波).

## **Aurora Healthcare**

Aurora Healthcare is a company incorporated in Australia with limited liability. As at the date of this announcement, 100% of the equity interest in Aurora Healthcare is owned by Aurora Healthcare Group Pty Ltd. which in turn is controlled by Mr. Liu Dianbo\* (劉殿波).

## **Second Vendors**

### **(i) SMS**

SMS is a company incorporated in Singapore with limited liability. As at the date of this announcement, its shareholding is as follows:

<b>Shareholders</b>	<b>% of equity interest</b>
TMH Pte. Ltd. (controlled by Mr. Tay Miah Hiang, being one of the founder doctors of the Target Company)	45%
Ark Genetics Pte.Ltd. (controlled by Mr. Ang Cher Siang Peter, being one of the founder doctors of the Target Company)	45%
Ms. Leong Swan Swan (a senior working doctor of the Target Company)	<u>10%</u>
	<u><u>100%</u></u>

### **(ii) Mr. Chuah Yen Seong, Benjamin**

Mr. Chuah Yen Seong, Benjamin, Singaporean nationality and a senior practicing doctor of the Target Company. As at the date of this announcement, he owns approximately 1.12% equity interest in the Target Company.

**(iii) Mr. Kevin Tay Kuang Wei**

Mr. Kevin Tay Kuang Wei, Singaporean nationality and a senior practising doctor of the Target Company. As at the date of this announcement, he owns approximately 1.12% equity interest in the Target Company.

**(iv) Mr. Wong Nan Soon**

Mr. Wong Nan Soon, Singaporean nationality and a senior practicing doctor of the Target Company. As at the date of this announcement, he owns 0.98% equity interest in the Target Company.

**D. OTHERS**

As all the applicable percentage ratios in relation to the Proposed Acquisitions contemplated under the Solid Success Sale and Purchase Agreement and the Other Shareholders' Sale and Purchase Agreement, on an aggregated basis, are less than 5%, the Proposed Acquisitions do not constitute notifiable transactions of the Company under Chapter 14 of the Hong Kong Listing Rules. This announcement is made by the Company on a voluntary basis.

**E. DEFINITIONS**

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

“A Share(s)”	the domestic Share(s) of the Company with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Aurora Healthcare”	Aurora Healthcare Pty Ltd, a company incorporated in Australia with limited liability
“Board”	the board of Directors
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company



“First Vendor”	Solid Success Limited, a company incorporated in Hong Kong with limited liability, as at the date of this announcement, 100% of the equity interest in the First Vendor is owned by Aurora Healthcare which in turn is controlled by Mr. Liu Dianbo* (劉殿波)
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed share(s) of the Company with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Other Shareholders’ Sale and Purchase Agreement”	the sale and purchase agreement dated 6 June 2022 entered among the Purchaser and the Second Vendors in relation to the proposed acquisition of a total of 9% of equity interest in the Target Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“Proposed Acquisitions”	the Purchaser proposed to purchase a total of 60% equity interest in the Target Company held by the First Vendor and the Second Vendors under the Solid Success Sale and Purchase Agreement and the Other Shareholders’ Sale and Purchase Agreement
“Purchaser”	Fosun Pharma Industrial Pte. Ltd., a company registered in Singapore and is a subsidiary of the Company
“Second Vendors”	SMS, Mr. Chuah Yen Seong, Benjamin, Mr. Kevin Tay Kuang Wei and Mr. Wong Nan Soon
“SGD”	Singapore Dollar, the lawful currency of Singapore

“Shareholders’ Agreement”	the shareholders’ agreement dated 6 June 2022 entered among the Purchaser, the Second Vendors and the Target Company with respect to the Target Company
“Solid Success Sale and Purchase Agreement”	the sale and purchase agreement dated 6 June 2022 entered among the Purchaser, the First Vendor and Aurora Healthcare in relation to the proposed acquisition of 51% of equity interest in the Target Company
“SMS”	Singapore Mustard Seed Pte. Ltd.
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Target Company”	ONCOCARE MEDICAL PTE. LTD., a company incorporated in Singapore with limited liability
“Target Equity I”	51% equity interest in the Target Company proposed to be purchased by the Purchaser from Solid Success pursuant to the Solid Success Sale and Purchase Agreement
“Target Equity II”	A total of 9% equity interest in the Target Company proposed to be purchased by the Purchaser from the Second Vendors pursuant to the Other Shareholders’ Sale and Purchase Agreement
“%”	per cent

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

Shanghai, People’s Republic of China  
6 June 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Wu Yifang, Mr. Wang Kexin and Ms. Guan Xiaohui; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang and Mr. Pan Donghui; and the independent non-executive directors of the Company are Ms. Li Ling, Mr. Tang Guliang Mr. Wang Quandi and Mr. Yu Tze Shan Hailson.*

\* for identification purposes only