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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 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)**

### **JOINT ANNOUNCEMENT**

**ANNOUNCEMENT ON THE LATEST  
UPDATE ON NON-PUBLIC ISSUANCE  
OF A SHARES UNDER GENERAL  
MANDATE**

**DISCLOSEABLE TRANSACTION IN  
RELATION TO DEEMED DISPOSAL OF  
EQUITY INTEREST IN FOSUN  
PHARMA**

#### **BACKGROUND**

On 29 December 2020, the Fosun Pharma Shareholders at the EGM approved the Proposed Non-Public Issuance of A Shares. On 27 July 2021, the CSRC approved that Fosun Pharma may nonpublicly issue not more than 128,144,927 new A Shares within 12 months from the date of approval of the issuance.

#### **NON-PUBLIC ISSUANCE OF A SHARES**

On 20 July 2022, Fosun Pharma and the Subscribers entered into the Subscription Agreements, pursuant to which the Subscribers have agreed to subscribe for, and Fosun Pharma agreed to issue to the Subscribers, an aggregate of 106,756,666 new A Shares at RMB42.00 per new A Share for a total of RMB4,483,779,720.00 subject to the terms of the Subscription Agreements.

## DEEMED DISPOSAL

The Non-Public Issuance of A Shares will be deemed as a disposal of the equity interest in Fosun Pharma held by Fosun International. As the applicable percentage ratio(s) (as defined in Rule 14.04(9) of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of Fosun International and is therefore subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

References are made to the announcements of Fosun Pharma dated 25 November 2020, 6 April 2021, 12 July 2021 and 2 August 2021, the overseas regulatory announcements of Fosun Pharma dated 25 November 2020, 15 January 2021, 22 February 2021, 6 April 2021, 1 June 2021, 5 July 2021, 12 July 2021 and 2 August 2021, and the circular of Fosun Pharma dated 8 December 2020 in relation to the Proposed Non-Public Issuance of A Shares.

### A. BACKGROUND

On 29 December 2020, the Fosun Pharma Shareholders at the EGM approved the Proposed Non-Public Issuance of A Shares. On 27 July 2021, the CSRC approved that Fosun Pharma may non-publicly issue not more than 128,144,927 new A Shares within 12 months from the date of approval of the issuance.

The total proceeds from the Proposed Non-Public Issuance of A Shares shall be no more than RMB4,483.78 million (inclusive), and the net proceeds after deducting expenses related to the issuance shall be used for the following projects of Fosun Pharma Group:

No.	Project name	Total investment amount (RMB million)	Proposed investment amount from the proceeds (RMB million)
1.	Innovative drug clinical, license in and relevant marketing preparation	1,874.48	1,874.48
2.	Intensive comprehensive base for active pharmaceutical ingredients and preparations	1,349.30	1,349.30
3.	Replenishment of working capital	<u>1,260.00</u>	<u>1,260.00</u>
<b>Total</b>		<b><u>4,483.78</u></b>	<b><u>4,483.78</u></b>

## B. NON-PUBLIC ISSUANCE OF A SHARES

On 20 July 2022, Fosun Pharma and the Subscribers entered into the Subscription Agreements, pursuant to which the Subscribers have agreed to subscribe for, and Fosun Pharma agreed to issue to the Subscribers, an aggregate of 106,756,666 new A Shares at RMB42.00 per new A Share for a total of RMB4,483,779,972.00 subject to the terms of the Subscription Agreements.

### Arrangement of the Non-Public Issuance of A Shares

Subscribers : The subscribers of the Non-Public Issuance of A Shares consist of 10 investors which include equity investment fund management companies, securities companies, asset management companies, qualified foreign institutional investors and other qualified investors which meet the requirements of the CSRC.

To the best of Fosun Pharma directors' and Fosun International directors' knowledge, information and belief, and after having made all reasonable enquiries, the Subscribers and their ultimate beneficial owners are third parties independent of Fosun Pharma and Fosun International.

Class and nominal value of Issuance Shares : New A Shares with a nominal value of RMB1.00 each.

After Completion, the Issuance Shares shall rank *pari passu* in all respects with all the other Shares in issue on or prior to the date of issuance.

Issuance Price : RMB42.00 per new A Share, being approximately 89.71% of the closing price (i.e. RMB46.82) of the trading day prior to the first day of the issuance period (i.e. Price Determination Date), and 91.84% of the average trading price (i.e. RMB45.73) of the 20 trading days (i.e. from 15 June 2022 to 12 July 2022, both days inclusive) prior to the Price Determination Date.

The Issuance Price was determined through a bidding process by investors in accordance with the applicable securities laws and regulations in the PRC.

Number of Issuance Shares : 106,756,666 new A Shares, representing around:

(i) 5.31% of the total A share capital of Fosun Pharma and 4.17% of the total share capital of Fosun Pharma, as at the date of this announcement; and

(ii) 5.04% of the enlarged A share capital of Fosun Pharma and 4.00% of the enlarged share capital of Fosun Pharma.

The aggregate nominal value of the Issuance Shares is RMB106,756,666.

Upon Completion, the total A share capital of Fosun Pharma will increase from 2,010,958,045 A Shares as at the date of this announcement to 2,117,714,711 A Shares and the total share capital of Fosun Pharma will increase from 2,562,898,545 Shares as at the date of this announcement to 2,669,655,211 Shares.

Payment and Completion : The Subscribers shall pay the subscription amount to a bank account designated by Fosun Pharma and opened by China International Capital Corporation Limited (the Joint Lead Underwriter and the bookrunner) for the purpose of the Non-Public Issuance of A Shares in accordance with the time stipulated in subscription payment notices issued by Fosun Pharma. If the Subscribers have paid deposit, such deposit will be directly converted into a part of the subscription amount. The aforesaid amount, after deducting all expenses incurred by the Joint Lead Underwriters and after being verified by a qualified accounting firm, will be transferred to the Fosun Pharma's designated account.

After receipt of proceeds, Fosun Pharma will issue the new A Shares and register those shares at CSDC.

Save as disclosed above, Completion is not subject to any other conditions.

Listing of Issuance Shares : Fosun Pharma will apply for the listing of the Issuance Shares on the Shanghai Stock Exchange upon completion of registration at CSDC.

- Lock-up period : During a period of 6 months from the date of Completion,
- (i) the Subscribers shall not transfer the Issuance Shares to others; and
  - (ii) if the Subscribers acquire any additional Shares due to, among other things, receipt of bonus shares or conversion of capital reserves into share capital, those additional Shares shall also be subject to the above lock-up arrangement.
- Joint Lead Underwriters : China International Capital Corporation Limited, Morgan Stanley Securities (China) Co., Ltd. and Topsperity Securities Co., Ltd.

### **General mandate**

On 1 June 2022, the Fosun Pharma Shareholders at the AGM and the H Shareholders and the A Shareholders at respective class meetings approved the grant of an unconditional and general mandate to the Board of Fosun Pharma board of directors to issue, allot and deal with not more than 402,191,609 A Shares being 20% of the total number of A Shares issued on the date of the AGM and not more than 110,388,100 H Shares being 20% of the total number of H Shares issued on the date of the AGM. As at the date of this announcement, Fosun Pharma has not issued any Share under the above-mentioned General Mandate.

The Non-Public Issuance of A Shares is pursuant to the above-mentioned General Mandate to issue shares. The Issuance Price is RMB42.00, which is in compliance with Rule 13.36(5) of Listing Rules with regard to the pricing requirements of shares issued under general mandate. The Non-Public Issuance of A Shares is not subject to any further approval by Fosun Pharma Shareholders.

### **Fund raising activities within the past 12 months**

Fosun Pharma has not conducted any fund raising activities that involve the issue of its equity securities within 12 months immediately prior to the date of this announcement.

## **C. DEEMED DISPOSAL**

As at the date of this announcement, the total share capital of Fosun Pharma is 2,562,898,545 Shares, including 2,010,958,045 A Shares and 551,940,500 H Shares. Fosun International is the controlling shareholder of Fosun Pharma. As at the date of this announcement, Fosun International directly and indirectly holds a total of 1,015,628,790 shares of Fosun Pharma shares (including 938,095,290 A Shares and 77,533,500 H Shares), representing around 39.63% of the total share capital of Fosun Pharma as at the date of this announcement.

Assuming that the Issuance Shares are fully issued, and save for the change in the total number of issued A Shares as a result of the Non-Public Issuance of A Shares, there is no other change in the total share capital of Fosun Pharma and the number of the Shares held by Fosun International as the beneficial owner and through its controlled corporations during the period from the date of this announcement to the date of Completion, the shareholding of Fosun International in Fosun Pharma will be diluted from approximately 39.63% to approximately 38.04%. As set out below, the shareholding structure of Fosun Pharma (i) as at the date of this announcement; and (ii) immediately after Completion (assuming that the Issuance Shares are fully issued; and there is no change in the total share capital of Fosun Pharma and the number of the Shares held by Fosun International as beneficial owner and through its controlled corporations during the period from the date of this announcement to the date of Completion, save for the change in the total number of issued A Shares as a result of the Non-Public Issuance of A Shares) is as follows:

Capacity/nature of interest	Number of Shares held as at the date of this announcement		Number of Shares held immediately after Completion		
	Number of Shares	Approximate percentage of the total Shares	Number of Shares	Approximate percentage of the total Shares	
<b>A Shares</b>					
Fosun International	Interest in controlled corporations (see <i>Note</i> )	938,095,290	36.60%	938,095,290	35.14%
Subscribers		—	—	106,756,666	4.00%
Other holders of A Shares		1,072,862,755	41.86%	1,072,862,755	40.19%
<b>A Shares subtotal</b>		<u>2,010,958,045</u>	<u>78.46%</u>	<u>2,117,714,711</u>	<u>79.33%</u>
<b>H Shares</b>					
Fosun International	Beneficial owner	6,000,000	0.23%	6,000,000	0.22%
	Interest in controlled corporations (see <i>Note</i> )	71,533,500	2.79%	71,533,500	2.68%
Other holders of H Shares		474,407,000	18.51%	474,407,000	17.77%
<b>H Shares subtotal</b>		<u>551,940,500</u>	<u>21.54%</u>	<u>551,940,500</u>	<u>20.67%</u>
<b>Total</b>		<u>2,562,898,545</u>	<u>100%</u>	<u>2,669,655,211</u>	<u>100%</u>

*Note:* As at the date of this announcement, Fosun International through its subsidiary Shanghai Fosun High Technology (Group) Co., Ltd. indirectly holds 938,095,290 A Shares and 71,533,500 H Shares. Fosun International directly holds 6,000,000 H Shares. As a result, Fosun International is deemed to have interests in 938,095,290 A Shares and 77,533,500 H Shares.

As Fosun International expects to continue to have control over Fosun Pharma, after the Completion, in accordance with the accounting standards under Hong Kong Financial Reporting Standards, accounts of Fosun Pharma will continue to be consolidated into the accounts of Fosun International and its operation results will continue to be consolidated into the financial statements of Fosun International.

#### **D. FINANCIAL INFORMATION ON FOSUN PHARMA**

The net profits attributable to equity holders of Fosun Pharma for the two financial years before the Deemed Disposal (as per Hong Kong Financial Reporting Standards) are as follows:

	<b>For the year ended on 31 December 2021 (audited) approximately RMB'000</b>	<b>For the year ended on 31 December 2020 (audited) approximately RMB'000</b>
Net profit before tax	6,053,838	4,677,846
Net profit after tax	4,987,438	3,939,981

As at 31 December 2021, the audited consolidated assets and net assets of Fosun Pharma were RMB93,236,902,000 and RMB48,318,678,000 respectively.

#### **E. FINANCIAL EFFECTS OF THE NON-PUBLIC ISSUANCE OF A SHARES TO FOSUN INTERNATIONAL.**

The gross proceeds raised under the Non-Public Issuance of A Shares amount to RMB4,483,779,972. The gain on deemed disposal of Fosun Pharma by Fosun International, for illustrative purposes only, will be approximately RMB1,085 million, representing the change in the net asset value of Fosun Pharma attributable to Fosun International as at 31 December 2021 in accordance with Hong Kong Financial Reporting Standards before and after the completion of the Non-Public Issuance of A Shares. In accordance with the accounting policies of Fosun International, the aforesaid gain on deemed disposal will be an increase of the shareholders' equity and does not affect the profit and loss of Fosun International. The actual gain on deemed disposal arising from the Non-Public Issuance of A Shares to be recorded by Fosun International will depend on the net asset value of Fosun Pharma attributable to Fosun International as at the final issuance day.

#### **F. REASONS FOR AND BENEFITS OF THE NON-PUBLIC ISSUANCE OF A SHARES**

The Fosun Pharma directors believe that the completion of the Non-Public Issuance of A Shares will establish a solid business foundation for Fosun Pharma Group to further strengthen its international strategies and to promote development of its principal businesses. In addition, by using the proceeds from the Non-Public Issuance of A Shares to replenish working capital, it will

help optimize the Fosun Pharma Group's debt structure and enhance the Fosun Pharma Group's creditworthiness. As a result, the Fosun Pharma directors are of the view that the Non-Public Issuance of A Shares is in the interests of Fosun Pharma and the Fosun Pharma Shareholders as a whole.

As mentioned above, the Non-Public Issuance of A Shares is expected to benefit Fosun Pharma, which is a subsidiary of Fosun International, and promote the development of Fosun Pharma's principal businesses. In addition, the Fosun International board of directors is of the view that the replenishment of working capital by the proceeds from the Non-Public Issuance of A Shares will improve Fosun Pharma Group's debt structure and enhance Fosun Pharma Group's credit standing.

The Fosun International directors are of the view that the Non-Public Issuance of A Shares and the terms of the Subscription Agreements are on normal commercial terms, are fair and reasonable and are in the interest of Fosun International and the Fosun International Shareholders as a whole.

## **G. LISTING RULE IMPLICATIONS**

The Non-Public Issuance of A Shares will be deemed as a disposal of the equity interest in Fosun Pharma held by Fosun International. As the applicable percentage ratio(s) (as defined in Rule 14.04(9) of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of Fosun International and is therefore subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **H. GENERAL INFORMATION**

### **Fosun Pharma**

Fosun Pharma is a company incorporated under the laws of PRC of which shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02196) and the Main Board of the Shanghai Stock Exchange (Stock Codes: 600196). The Fosun Pharma Group is a leading group in the healthcare industry in PRC and principally engaged in the development of drugs, medical equipment and medical diagnosis, medical services and distribution and sale of drugs.

### **Fosun International**

Fosun International is incorporated under the laws of Hong Kong and its shares are listed and traded on the Main Board of the Hong Kong Stock Exchange with stock code 00656. Fosun International is a global innovation-driven consumer group dedicated to provide high-quality products and services for families around the world in Health, Happiness, Wealth and Intelligent Manufacturing business segments.

## I. DEFINITIONS

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

“AGM”	the annual general meeting of Fosun Pharma held on 1 June 2022
“A Shares”	the domestic shares of Fosun Pharma with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Completion”	the completion of registration of Issuance Shares at CSDC
“CSDC”	the Shanghai branch of China Securities Depository and Clearing Corporation Limited* (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission
“Deemed Disposal”	according to Chapter 14 of the Listing Rules, the Non-Public Issuance of A Shares constitutes a deemed disposal of the equity interest in Fosun Pharma held by Fosun International
“EGM”	the extraordinary general meeting of Fosun Pharma held on 29 December 2020
“Fosun International”	Fosun International Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00656)
“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 under the laws of 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 (Stock Code: 02196) and the Main Board of the Shanghai Stock Exchange (Stock Code: 600196) respectively
“Fosun Pharma Group”	Fosun Pharma and its subsidiaries
“Fosun Pharma Shareholders”	holders of A Shares and holders of H Shares
“General Mandate”	the unconditional and general mandate granted by the Fosun Pharma Shareholders at the AGM to the board of directors of Fosun Pharma to issue, allot and deal in Shares

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“H Shares”	the overseas listed shares of Fosun Pharma with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Issuance Price”	RMB42.00, being the price at which the new A Shares will be issued by Fosun Pharma to the Subscribers
“Issuance Shares”	new A Shares to be issued by Fosun Pharma pursuant to the Subscription Agreements
“Joint Lead Underwriters”	the joint lead underwriters engaged by Fosun Pharma for the Non-Public Issuance of A Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the of Hong Kong Stock Exchange
“Non-Public Issuance of A Shares”	the non-public issuance of new A Shares by Fosun Pharma pursuant to the Subscription Agreements
“PRC”	the People’s Republic of China
“Price Determination Date”	13 July 2022, the first date of issuance period (i.e. the next trading day after despatch of the subscription invitation letter(s))
“Proposed Non-Public Issuance of A Shares”	the non-public issuance of new A Shares proposed and approved at the EGM of which details are set out in the circular of Fosun Pharma dated 8 December 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	A Shares and H Shares
“Subscribers”	subscribers of the Issuance Shares
“Subscription Agreement(s)”	the subscription agreement(s) dated 20 July 2022 entered into between Fosun Pharma and the Subscriber(s)

“subsidiary” has the meaning ascribed to it under the Listing Rules

“%” 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*

20 July 2022

*As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Wu Yifang, Mr. Wang Kexin and Ms. Guan Xiaohui; the non-executive directors of Fosun Pharma are Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang and Mr. Pan Donghui; 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 Xuetao, Mr. Gong Ping and Mr. Huang Zhen; the non-executive directors are Ms. Chen Shucui, Mr. Zhuang Yuemin and Mr. Yu Qingfei; and the independent non-executive directors 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