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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)

**VOLUNTARY ANNOUNCEMENT
ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT**

The Board is pleased to announce that, on 25 July 2022, Fosun Pharmaceutical Industrial, a subsidiary of the Company, and Genuine Biotech entered into the Strategic Cooperation Agreement, pursuant to which the parties reached strategic cooperation on the promotion of joint development, Fosun Pharmaceutical Industrial's exclusive commercialisation of Azvudine and other matters. Under such cooperation, the Cooperation Scope includes areas related to the treatment and prevention of Novel Coronavirus (2019-nCoV) and AIDS, and the proposed Cooperation Regions are Region I (i.e., within China, but excluding Hong Kong, Macau and Taiwan) and Region II (i.e., all regions of the world except Region I, but excluding Russia, Ukraine, Brazil and other South American countries and regions). The Directors are of the view that such cooperation, if conducted as agreed, will be conducive to further enriching the Group's anti-viral product line, meeting the frontline needs of clinical medication and assisting the epidemic prevention and control.

As the transactions underlying the Strategic Cooperation Agreement are in the ordinary and usual course of the Group's business and are revenue in nature, they do not constitute transactions as defined under Chapter 14 of the Hong Kong Listing Rules. This announcement is made by the Company on a voluntary basis.

Under the Strategic Cooperation Agreement, the cooperation within Region I is subject to Fosun Pharmaceutical Industrial's completion of relevant due diligence and evaluation as agreed and, to the extent that the results of the due diligence and evaluation are in line with its expectations, its payment of the corresponding cooperation fee; the cooperation within Region II is subject to Fosun Pharmaceutical Industrial's completion of relevant due diligence and evaluation as agreed and, to the extent that the results of the due diligence and evaluation are in line with its expectations, the entering into of the supplemental agreement by the parties to confirm the advancement of cooperation in such region. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

A. STRATEGIC COOPERATION AGREEMENT

The Board is pleased to announce that, on 25 July 2022, Fosun Pharmaceutical Industrial, a subsidiary of the Company, and Genuine Biotech entered into the Strategic Cooperation Agreement, pursuant to which the parties reached strategic cooperation on the promotion of joint development, Fosun Pharmaceutical Industrial's exclusive commercialisation of Azvudine and other matters. The Directors are of the view that such cooperation, if conducted as agreed, will be conducive to further enriching the Group's anti-viral product line, meeting the frontline needs of clinical medication and assisting the epidemic prevention and control.

The principal terms of the Strategic Cooperation Agreement are summarised as follows:

Date : 25 July 2022

Parties : (1) Genuine Biotech; and
(2) Fosun Pharmaceutical Industrial.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Genuine Biotech is a third party independent of the Company and its connected persons.

Cooperation content : Genuine Biotech will cooperate with Fosun Pharmaceutical Industrial exclusively in the Cooperation Regions and Cooperation Scope as follows:

- (a) joint development of the Cooperation Product; and
- (b) Fosun Pharmaceutical Industrial to have the exclusive commercialisation right in respect of the Cooperation Product; and commercialisation includes activities such as distribution, import, export, sales, promotion, etc.

Fosun Pharmaceutical Industrial may further grant the rights it obtained under the abovementioned cooperation to its affiliates (as defined under the Strategic Cooperation Agreement) or non-affiliated third parties (provided that, only under special circumstances as agreed, such non-affiliated third parties are subject to negotiation and agreement between the parties) in accordance with the Strategic Cooperation Agreement.

Cooperation Regions : Pursuant to the Strategic Cooperation Agreement, the parties propose to cooperate in the following two Cooperation Regions (hereinafter referred to in this announcement as “Region I” and “Region II”; together, the “Cooperation Regions”):

(a) Region I: within China, but excluding Hong Kong, Macau and Taiwan

(b) Region II: all regions of the world except Region I, but excluding Russia, Ukraine, Brazil and other South American countries and regions

Cooperation Scope and Cooperation Product : The Cooperation Scope between the parties includes:

(a) all areas of Azvudine related to the treatment and prevention of Novel Coronavirus (2019-nCoV); and

(b) all areas of Azvudine related to the treatment and prevention of AIDS.

Within the Cooperation Scope, the Cooperation Product includes active pharmaceutical ingredients and tablets of Azvudine and all products in other dosage forms containing active pharmaceutical ingredients of Azvudine, but excluding the Excluded Product.

Priority cooperation right : In respect of other indications of the Cooperation Product outside the Cooperation Scope, if Genuine Biotech intends to cooperate with other parties in any form, Fosun Pharmaceutical Industrial shall have the priority cooperation right under the same conditions.

In respect of the Excluded Product, if Genuine Biotech intends to cooperate with other parties in any form, Fosun Pharmaceutical Industrial shall have the priority cooperation right under the same conditions.

Other potential strategic cooperation : Based on the agreement already reached under the Strategic Cooperation Agreement, the parties also intend to discuss other potential strategic cooperation opportunities, including, among others:

- (a) joint development and commercialisation of products other than the Cooperation Product; and
- (b) further negotiation on cooperation matters relating to direct or indirect investment by Fosun Pharmaceutical Industrial (or its controlled entities) in Genuine Biotech.

Cooperation fee and payment arrangement : No later than five business days after the Strategic Cooperation Agreement is executed and becomes effective, Fosun Pharmaceutical Industrial shall pay RMB100 million to Genuine Biotech, which is a precondition for the parties to carry out due diligence as agreed under the Strategic Cooperation Agreement and the follow-up cooperation.

In relation to the cooperation within Region I, Fosun Pharmaceutical Industrial shall complete the due diligence and evaluation within the agreed period and shall, within seven business days after Fosun Pharmaceutical Industrial confirms that the results of the aforesaid due diligence and evaluation are in line with its expectations, pay to Genuine Biotech RMB399.5 million.

In relation to the cooperation within Region II, after Fosun Pharmaceutical Industrial completes the due diligence and evaluation within the agreed period, if it is determined that the Cooperation Product is suitable for development and commercialisation in Region II, the parties should enter into a supplemental agreement in relation to the cooperation within Region II. Fosun Pharmaceutical Industrial shall, within 10 business days after such supplemental agreement becomes effective, pay to Genuine Biotech RMB300 million.

In the event that the parties fail to reach an agreement within the agreed time limit, either party has the right to terminate the cooperation in Region II without bearing any liability for breach of contract, but the cooperation already reached between the parties in Region I shall not be affected.

Commercialisation costs and gains sharing : The commercialisation costs of the Cooperation Product in the Cooperation Regions and Cooperation Scope will be borne by Fosun Pharmaceutical Industrial.

Gross profits generated from sales of the Cooperation Product in Region I shall be shared between Fosun Pharmaceutical Industrial and Genuine Biotech on a 50%:50% or 55%:45% basis, depending on the distribution channels.

Genuine Biotech has the right to share gains generated from the Cooperation Product in Region II, and the detailed sharing method and proportion will be further agreed by the parties in supplemental agreements.

Cooperation period : The cooperation period under the Strategic Cooperation Agreement is long-term until terminated as mutually agreed by the parties.

Effectiveness : The Strategic Cooperation Agreement shall be effective from the date of execution by the parties. Terms other than the agreements as set out in the paragraph headed “Other potential strategic cooperation” are binding on the parties. For matters not covered in the Strategic Cooperation Agreement, the parties will use commercially reasonable efforts to reach an agreement and enter into ancillary agreements and/or supplemental agreements.

B. INFORMATION OF THE GROUP AND PARTIES

The Group

The Group is a leading healthcare group in the PRC and directly carries out business including pharmaceutical manufacturing, medical devices medical diagnosis and healthcare services as well as pharmaceutical distribution and retail.

Fosun Pharmaceutical Industrial

Fosun Pharmaceutical Industrial is a subsidiary of the Company and is mainly engaged in industrial investment, pharmaceutical industry investment, import and export of goods and technologies, etc.

Genuine Biotech

Genuine Biotech, a company established in the PRC with limited liability, is 100% owned by Genuine Biotech HK Limited as at the date of this announcement. Genuine Biotech is a R&D-driven biotech company, dedicating to the R&D, manufacture and commercialisation of innovative drugs for the treatment of viral, oncological and cerebrovascular diseases.

The Azvudine tablet is a small molecular oral medication independently researched and developed by China. On 25 July 2022, Genuine Biotech's Azvudine tablets obtained the emergency conditional approval from the NMPA for use in treatment of adult patients suffering moderate COVID-19 (who should strictly follow the instructions for medication under the guidance of physicians).

In addition, Genuine Biotech's Azvudine tablets obtained the conditional approvals from the NMPA on 20 July 2021 for use in combination with other reverse transcriptase inhibitors in the treatment of adult HIV-1 infected patients with high viral load.

C. OTHER

As the transactions under the Strategic Cooperation Agreement are in the ordinary and usual course of the Group's business and are revenue in nature, they do not constitute transactions within the meaning of Chapter 14 of the Hong Kong Listing Rules. This announcement is made by the Company on a voluntary basis.

Under the Strategic Cooperation Agreement, the cooperation within Region I is subject to Fosun Pharmaceutical Industrial's completion of relevant due diligence and evaluation as agreed and, to the extent that the results of the due diligence and evaluation are in line with its expectations, its payment of the corresponding cooperation fee; the cooperation within Region II is subject to Fosun Pharmaceutical Industrial's completion of relevant due diligence and evaluation as agreed and, to the extent that the results of the due diligence and evaluation are in line with its expectations, the entering into of the supplemental agreement by the parties to confirm the advancement of cooperation in such region. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

D. DEFINITIONS

In the announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“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, 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
“Cooperation Product” or “Azvudine”	active pharmaceutical ingredients and tablets of Azvudine and all products in other dosage forms containing active pharmaceutical ingredients of Azvudine, but excluding the Excluded Product
“Cooperation Regions”	the two areas agreed under the Strategic Cooperation Agreement; the detailed delineation of which are set out in the paragraph headed “Cooperation Regions” in this announcement
“Cooperation Scope”	all areas of Azvudine related to the treatment and prevention of Novel Coronavirus (2019-nCoV) and all areas of Azvudine related to the treatment and prevention of AIDS
“Director(s)”	director(s) of the Company
“Excluded Product”	the combination product composed of Azvudine and a molecule newly developed by Genuine Biotech for the treatment of AIDS, which is being developed by Genuine Biotech
“Fosun Pharmaceutical Industrial”	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Genuine Biotech”	Henan Genuine Biotech Co., Ltd.* (河南真實生物科技有限公司), a company established in the PRC with limited liability
“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
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“NMPA”	the National Medical Products Administration of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan region
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Strategic Cooperation Agreement”	the Strategic Cooperation Agreement relating to Azvudine dated 25 July 2022 entered into between Fosun Pharmaceutical Industrial and Genuine Biotech
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent

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

Shanghai, the PRC

25 July 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