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FOSUNPHARMA
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 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)

**INSIDE INFORMATION
JOINT ANNOUNCEMENT
DISCLOSEABLE TRANSACTION —
ACQUISITION OF THE CONTROLLING INTEREST
IN GLAND PHARMA LIMITED
AND
RESUMPTION OF TRADING**

This announcement is made by Fosun Pharma and Fosun International pursuant to Rule 13.09(2) of the Hong Kong Listing Rules and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the SFO.

THE ACQUISITION

The boards of directors of Fosun Pharma and Fosun International are pleased to announce that on 28 July 2016, the Buyer has entered into certain Transaction Documents with, among others, each of the relevant Vendors and the Target Company in respect of the Acquisition and the transactions contemplated thereunder, pursuant to which the Buyer proposes to invest in no more than US\$1,261.37 million to acquire in aggregate approximately 79.997% equity interest in the Target Company from the Vendors and to subscribe for the Convertible Preference Shares to be issued by the Target Company representing approximately 6.083% equity interest of the Target Company. Upon the completion of the Acquisition, the Buyer and the Co-Buyers will hold approximately 86.08% equity interest in the Target Company.

HONG KONG LISTING RULES IMPLICATIONS

For Fosun Pharma and Fosun International, as the applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, therefore the Acquisition contemplated under the relevant Transaction Documents constitutes a discloseable transaction for Fosun Pharma and Fosun International and is subject to the notification and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

Shareholders and potential investors of Fosun Pharma and Fosun International should note that pending the fulfillment of the conditions under the relevant Transaction Documents, the Acquisition may or may not proceed. Shareholders and potential investors of Fosun Pharma and Fosun International are reminded to exercise caution when dealing in the securities of each of Fosun Pharma and Fosun International.

RESUMPTION OF TRADING

At the request of Fosun Pharma, trading in the shares of Fosun Pharma on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Thursday, 28 July 2016 pending the release of this joint announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the shares of Fosun Pharma on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 29 July 2016.

At the request of Fosun International, trading in the shares of Fosun International and the convertible bonds (stock code: 5996) issued by Logo Star Limited (the “**Convertible Bonds**”) on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Thursday, 28 July 2016 pending the release of this joint announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the shares of Fosun International and the Convertible Bonds on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 29 July 2016.

This announcement is made by Fosun Pharma and Fosun International pursuant to Rule 13.09(2) of the Hong Kong Listing Rules and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the SFO.

The boards of directors of Fosun Pharma and Fosun International are pleased to announce that on 28 July 2016, the Buyer has entered into certain Transaction Documents with, among others, each of the relevant Vendors and the Target Company in respect of the Acquisition and the transactions contemplated thereunder, pursuant to which the Buyer proposes to invest in no more than US\$1,261.37 million to acquire in aggregate approximately 79.997% equity interest in the Target Company from the Vendors and to subscribe for the Convertible Preference Shares to be issued by the Target Company representing approximately 6.083% equity interest of the Target Company. Upon the completion of the Acquisition, the Buyer and the Co-Buyers will hold approximately 86.08% equity interest in the Target Company. Details on the major Transaction Documents in respect of the Acquisition are set out as follows.

A. SHARE PURCHASE AGREEMENT

On 28 July 2016, Fosun Pharma, the Buyer, the Target Company, KKR and the Founder Shareholders entered into the Share Purchase Agreement, pursuant to which the Buyer has agreed to purchase and KKR and the Founder Shareholders have agreed to sell in aggregate 10,841,954 shares in the Target Company held by them. A summary of the major terms of the Share Purchase Agreement is set out as follows:

1. Date

28 July 2016

2. Parties

- (a) Fosun Pharma;
- (b) the Buyer;
- (c) KKR;
- (d) the Founder Shareholders; and
- (e) the Target Company.

To the best of the knowledge, information and belief of the directors of Fosun Pharma after having made all reasonable enquiries, KKR and each of the Founder Shareholders (and their respective beneficial owners) are third parties independent of Fosun Pharma, and are not connected persons of Fosun Pharma.

To the best of the knowledge, information and belief of the directors of Fosun International after having made all reasonable enquiries, KKR and each of the Founder Shareholders (and their respective beneficial owners) are third parties independent of Fosun International, and are not connected persons of Fosun International.

3. Assets to be Transferred

Subject to the terms and conditions of the Share Purchase Agreement, the Buyer has agreed to purchase and KKR and the Founder Shareholders have agreed to sell in aggregate 10,841,954 shares in the Target Company held by them, representing approximately 69.971% equity interest in the Target Company.

4. Consideration

Subject to the terms and conditions of the Share Purchase Agreement, the consideration for the shares of the Target Company to be sold under the Share Purchase Agreement shall be (1) no more than US\$96.872 per share, and in total no more than US\$1,050.28 million; and (2) a contingent consideration to be paid to the Founder Shareholders by the Buyer based on 50% of the quarterly gross profit derived from the sale of enoxaparin products by Gland during the period of 2 years from the date of Enoxaparin Launch or ending on 31 December 2019 (whichever is earlier), if the FDA approval for enoxaparin products has been obtained and the Enoxaparin Launch occurs prior to 31 December 2018. If the FDA approval is obtained before 31 December 2016 (inclusive), the upper limit of such contingent consideration is US\$50 million, and if the FDA approval is obtained after 31 December 2016 and before 31 December 2018 (inclusive), the upper limit of such contingent consideration will be US\$25 million. If the Enoxaparin Launch occurs after 31 December 2018, the Buyer shall not pay any contingent consideration.

Subject to the terms and conditions of the Share Purchase Agreement, the following fees may be deducted from the consideration: (1) dividend declared and paid by the Target Company to its existing shareholders, distribution of assets and the payment of management fees made by the Target Company during the period from 31 March 2016 to the SPA Closing Date; and (2) any transaction costs paid by the Target Company prior to the SPA Closing.

The consideration under the Share Purchase Agreement was determined at arm's length negotiation between the parties to the Share Purchase Agreement, and based on the enterprise value with reference to the actual contribution to the Target Company made by KKR and the Founder Shareholders and their respective duties and obligations. The enterprise value of the Acquisition was approximately US\$1,350 million, which was determined at business negotiation between the parties to the Acquisition during the bidding process, and mainly based on the Target Company's EBITDA for the financial year 2016 (i.e. the period from 1 April 2015 to 31 March 2016) with reference to the range of the enterprise valuation multiples from the recent injectable pharmaceutical enterprise mergers and acquisitions in Indian and global market as well as the required net cash flow for the operation of the Target Company.

5. Major Conditions Precedent to the SPA Closing

The major conditions precedent to the SPA Closing include, but are not limited to, the following:

- (a) the approval from the competent antitrust authorities of India;
- (b) the approval from the competent foreign investment authorities of India;
- (c) the approval from the competent antitrust authorities of the United States;
- (d) the approval from the NDRC in relation to foreign investment; and

- (e) the approval from the shareholders of Fosun Pharma for the Acquisition at its general meeting.

6. Payment Arrangement

On the SPA Closing Date, the Buyer shall:

- (a) pay the relevant consideration to the Founder Shareholders to the designated receiving bank account notified in writing by the Founder Shareholders 2 Business Days in advance; and
- (b) pay the relevant consideration to KKR to the designated receiving bank accounts notified in writing by KKR 2 Business Days in advance.

7. Termination Fees

Termination fees paid by the Buyer

- (a) In the event that the Share Purchase Agreement is terminated as a result of failure to obtain the approval from the NDRC in relation to foreign investment, the Buyer shall pay to each of KKR and the Founder Shareholders a termination fee of US\$10 million, respectively;
- (b) In the event that the Share Purchase Agreement is terminated as a result of failure to obtain approval from the shareholders of Fosun Pharma at its general meeting, the Buyer shall pay to each of KKR and the Founder Shareholders a termination fee of US\$20 million, respectively;
- (c) Upon the satisfaction of all the conditions precedent to the SPA Closing and KKR and the Founder Shareholders have served a written notice upon the Buyer setting out their intention to close, if the Buyer fails to close within 3 Business Days (or in case of a force majeure event, 10 Business Days), and KKR and the Founder Shareholders therefore terminate the Share Purchase Agreement, the Buyer shall pay to each of KKR and the Founder Shareholders a termination fee of US\$20 million, respectively; and
- (d) The Buyer shall deposit an aggregate amount of US\$40 million into an escrow account established in Singapore, supervised by the Buyer and KKR, in accordance with the provisions of the Share Purchase Agreement and the escrow agreement.

Termination fees paid by KKR and the Founder Shareholders

- (a) Upon the satisfaction of all the conditions precedent to the SPA Closing, and the Buyer has served a written notice upon KKR and the Founder Shareholders setting out its intention to close, if the Founder Shareholders fail to close within 3 Business Days (or in

case of a force majeure event, 10 Business Days), and the Buyer therefore terminates the Share Purchase Agreement, the Founder Shareholders shall pay to the Buyer a termination fee of US\$10 million; and

- (b) Upon the satisfaction of all the conditions precedent to the SPA Closing, and the Buyer has served a written notice upon KKR and the Founder Shareholders setting out its intention to close, if KKR fails to close within 3 Business Days (or in case of a force majeure event, 10 Business Days), and the Buyer therefore terminates the Share Purchase Agreement, KKR shall pay to the Buyer a termination fee of US\$10 million.

8. Termination of the Agreement

The Share Purchase Agreement shall be terminated upon occurrence of, among other things, the following events:

- (a) in the event that not all of the conditions precedent to the SPA Closing have been fulfilled upon the Termination Date, KKR and the representative of the Founder Shareholders jointly or the Buyer alone has right to terminate the Share Purchase Agreement. However, in the event that all the conditions precedent, other than the approval by the competent antitrust authorities and competent foreign investment authorities of India and the competent antitrust authorities of the United States and the NDRC in relation to foreign investment, have been fulfilled, then the Termination Date will be extended to 27 April 2017; and
- (b) in the event that Fosun Pharma fails to obtain the approval from its shareholders for the Acquisition, KKR and the representative of the Founder Shareholders jointly or the Buyer alone may terminate the Share Purchase Agreement.

9. Transaction Expenses

KKR and each of the Founder Shareholders should bear their own expenses incurred out of the relevant due diligence and approval matters in accordance with the terms of the Share Purchase Agreement.

10. Dispute Resolutions

The Share Purchase Agreement is governed by the law of the State of New York, the United States. Any disputes arising out of the Share Purchase Agreement shall be submitted to the Singapore International Arbitration Centre for arbitration.

B. VETTER SHARE PURCHASE AGREEMENT

On 28 July 2016, Fosun Pharma, the Buyer, the Co-Buyers, the Target Company and the Vetter Family entered into the Vetter Share Purchase Agreement, pursuant to which the Buyer and the Co-Buyers have agreed to purchase and the Vetter Family has agreed to sell the 1,553,500 shares in the Target Company held by it. A summary of the major terms of the Vetter Share Purchase Agreement is set out as follows:

1. Date

28 July 2016

2. Parties

- (a) Fosun Pharma;
- (b) the Buyer;
- (c) the Co-Buyers;
- (d) the Vetter Family; and
- (e) the Target Company.

To the best of the knowledge, information and belief of the directors of Fosun Pharma after having made all reasonable enquiries, the Vetter Family (and their respective beneficial owners) are third parties independent of Fosun Pharma, and are not connected persons of Fosun Pharma.

To the best of the knowledge, information and belief of the directors of Fosun International after having made all reasonable enquiries, the Vetter Family (and their respective beneficial owners) are third parties independent of Fosun International, and are not connected persons of Fosun International.

3. Assets to be Transferred

Subject to the terms and conditions of the Vetter Share Purchase Agreement, the Buyer and the Co-Buyers have agreed to purchase and the Vetter Family has agreed to sell the 1,553,500 shares in the Target Company held by it.

4. Consideration

Subject to the terms and conditions of the Vetter Share Purchase Agreement, the consideration for the shares of the Target Company to be sold under the Vetter Share Purchase Agreement shall be no more than US\$64.537 per share, and in total no more than US\$100.26 million.

The consideration under the Vetter Share Purchase Agreement was determined at arm's length negotiation between the parties thereto, and based on the enterprise value of the Acquisition in the amount of approximately US\$1,350 million, which was determined at business negotiation between the parties to the Acquisition during the bidding process, and mainly based on the Target Company's EBITDA for the financial year 2016 (i.e. the period from 1 April 2015 to 31 March 2016) with reference to the range of the enterprise valuation multiples from the recent injectable pharmaceutical enterprise mergers and acquisitions in Indian and global market as well as the required net cash flow for the operation of the Target Company.

5. Major Conditions Precedent to the Closing

The major conditions precedent to the closing of the Vetter Share Purchase Agreement shall be the fulfillment or waiver of certain conditions precedent to the SPA Closing, provided that upon fulfillment or waiver of such conditions precedent, a notice in writing shall be given by the Target Company to the Vetter Family to confirm the same. The closing date under the Vetter Share Purchase Agreement shall be the same date as the SPA Closing Date.

6. Termination of the Agreement

The Vetter Share Purchase Agreement shall be terminated upon termination of the Share Purchase Agreement. The Target Company shall give notice to the Vetter Family within 2 business days after termination of the Share Purchase Agreement.

7. Dispute Resolutions

The Vetter Share Purchase Agreement is governed by the law of the State of New York, the United States. Any disputes arising out of the Vetter Share Purchase Agreement shall be submitted to the Singapore International Arbitration Centre for arbitration.

C. SUBSCRIPTION AGREEMENT

On 28 July 2016, Fosun Pharma, the Buyer and the Target Company entered into the Subscription Agreement, pursuant to which the Buyer has agreed to subscribe for and the Target Company has agreed to allot and issue 942,500 Convertible Preference Shares with a nominal value of INR10 each. A summary of the major terms of the Subscription Agreement is set out as follows:

1. Date

28 July 2016

2. Parties

(a) Fosun Pharma;

(b) the Buyer; and

(c) the Target Company.

To the best of the knowledge, information and belief of the directors of Fosun Pharma after having made all reasonable enquiries, the Target Company (and its beneficial owner) is third party independent of Fosun Pharma, and are not connected persons of Fosun Pharma.

To the best of the knowledge, information and belief of the directors of Fosun International after having made all reasonable enquiries, the Target Company (and its beneficial owner) is third party independent of Fosun International, and are not connected persons of Fosun International.

3. Subscription Price

Subject to the terms and conditions of the Subscription Agreement, the subscription price of the Convertible Preference Shares shall be no more than US\$64.537 per share.

The consideration under the Subscription Agreement was determined at arm's length negotiation between the parties thereto, and based on the enterprise value of the Acquisition in the amount of approximately US\$1,350 million, which was determined at business negotiation between the parties to the Acquisition during the bidding process, and mainly based on the Target Company's EBITDA for the financial year 2016 (i.e. the period from 1 April 2015 to 31 March 2016) with reference to the range of the enterprise valuation multiples from the recent injectable pharmaceutical enterprise mergers and acquisitions in Indian and global market as well as the required net cash flow for the operation of the Target Company..

4. Rights of the Convertible Preference Shares

The Convertible Preference Shares, with a nominal value of INR10 each, shall not carry any voting rights prior to the conversion into the ordinary shares of the Target Company. The Convertible Preference Shares are not cumulative preference shares, conferring the holder of each share with a dividend of 0.001% for every year based on its nominal value. After the SPA Closing Date, the Convertible Preference Shares may, at the option of the Target Company or the Buyer, be converted into the ordinary shares of the Target Company on a one-to-one basis at any point of time. The Convertible Preference Shares may also be automatically converted into the ordinary shares of the Target Company on a one-to-one basis upon expiry of five years after the issuance date. On the date when the Buyer chooses to convert the Convertible Preference Shares into the ordinary shares of the Target Company or the Convertible Preference Shares are automatically converted into the ordinary shares of the Target Company, a board meeting shall be convened by the Target Company, at which the Target Company shall approve the conversion and agree to allot and issue the ordinary shares of the Target Company accordingly. Application shall be made to the relevant registrars of companies for completion of the registration procedures in respect of the subscription.

5. Major Conditions Precedent to the Closing

The major conditions precedent to the closing of the Subscription Agreement shall be the fulfillment or waiver of certain conditions precedent to the SPA Closing. The closing date under the Subscription Agreement shall be the same date as the SPA Closing Date.

6. Termination of the Agreement

The Subscription Agreement shall be terminated upon termination of the Share Purchase Agreement.

7. Dispute Resolutions

The Subscription Agreement is governed by the law of India. Any disputes arising therefrom shall be submitted to the Singapore International Arbitration Centre for arbitration.

D. SHAREHOLDERS AGREEMENT

On 28 July 2016, the Buyer, the Continuing Shareholders and the Target Company entered into the Shareholders Agreement to set out the rights and obligations of relevant parties thereto with respect to the Target Company. A summary of the major terms of the Shareholders Agreement is as follows:

1. Date

28 July 2016

2. Parties

- (a) the Buyer;
- (b) the Continuing Shareholders; and
- (c) the Target Company.

3. Effective Date

The Shareholders Agreement shall become effective on the SPA Closing Date.

4. Corporate Governance

Upon the completion of the SPA Closing:

- (a) the board of directors of the Target Company shall comprise up to 9 directors: the Founder Shareholders (as long as they hold an equity interest of no less than 5%) shall be entitled to nominate 2 directors; the Buyer shall be entitled to nominate the remaining directors, including independent directors; and

(b) Dr. Ravi will be appointed as the chief executive officer of the Target Company for a term of 3 years, unless the parties thereto otherwise agree.

5. Restriction on Transfer

- (a) The Founder Shareholders may not transfer their shares to competitors (including any affiliate of a competitor) without the prior written consent from the Buyer; and
- (b) The Buyer shall have the pre-emptive right in the event of the proposed transfer of the shares in the Target Company held by the Founder Shareholders.

6. Initial Public Offering

The Target Company and the Buyer shall make effort to carry out an initial public offering of the Target Company within 5 years after the SPA Closing Date.

7. Put Option

The Founder Shareholders shall have the right to exercise a put option within 1 year from the expiration of the period of 1 year after the SPA Closing Date to require the Buyer to further acquire the remaining shares of the Target Company held by the Founder Shareholders for a consideration up to US\$180 million. Before the abovementioned expiration of the period of 1 year after the SPA Closing Date, the Buyer has the right to decide whether to grant a new put option to the Founder Shareholders that in case the Target Company fails to complete the initial public offering within the second to the fifth year after the SPA Closing Date, the Founder Shareholders shall have the right to exercise the new put option to require the Buyer to acquire the remaining shares of the Target Company held by the Founder Shareholders based on the fair market value. In the event of the grant of a new put option, the above-mentioned put option will be terminated immediately.

8. Termination of the Agreement

The Shareholders Agreement shall be terminated upon the completion of the initial public offering by the Target Company.

9. Dispute Resolutions

The Shareholders Agreement is governed by the law of India. Any disputes arising therefrom shall be submitted to the Singapore International Arbitration Centre for arbitration.

E. RESTRICTED SHAREHOLDERS AGREEMENT

On 28 July 2016, the Buyer, the Restricted Shareholders and the Target Company entered into the Restricted Shareholders Agreement to set out the rights and obligations of relevant parties thereto. A summary of the major terms of the Restricted Shareholders Agreement is as follows:

1. Date

28 July 2016

2. Parties

- (a) the Buyer;
- (b) the Restricted Shareholders; and
- (c) the Target Company.

3. Effective Date

The Restricted Shareholders Agreement shall become effective on the closing of the Residual Shareholders Buy Back Agreement.

4. Restriction on Transfer

In the event that the restriction on the shares of the Target Company held by the Restricted Shareholders is released within 1 year after the Relevant Closing Date, the Buyer and the Existing Investors shall undertake good faith negotiations and endeavour to execute a share purchase agreement as soon as reasonably practicable. If the Buyer and the Existing Investors fail to reach such agreement, the Existing Investors shall be entitled to transfer their shares to third parties, provided that the Buyer shall have the right of first refusal.

5. Call Option

In the event that the restriction on the shares of the Target Company held by the Restricted Shareholders is released after 1 year from the Relevant Closing Date, the Buyer shall have the right to exercise a call option by giving a written notice to the Restricted Shareholders. The call option of the Buyer shall be exercised within 1 year after the restriction on the shares of the Target Company held by the Restricted Shareholders is released.

6. Right of First Refusal

In the event that the Buyer elects not to exercise the call option, if the Restricted Shareholders propose to transfer the shares of the Target Company, the Buyer shall have the right of first refusal.

7. Tag-along Right

If the Buyer proposes to transfer shares of the Target Company to a third party, which will result in such third party taking control of the Target Company, the Restricted Shareholders shall be entitled to exercise the tag-along right, in proportion to their respective shareholding in the Target Company, by serving a tag-along right notice, within 30 days upon the receipt of the written notice of the tag-along offer. In the event that the Restricted Shareholders fail to serve such notice within the prescribed period, it shall be deemed to have waived such tag-along right.

8. Put Option

The Restricted Shareholders shall have the right to require the Buyer to purchase all (but not less than all) of the shares in the Target Company held by them for a consideration of no more than US\$90 million or the fair value (whichever is lower) after 6 years from the SPA Closing Date in the event that the Target Company fails to complete the initial public offering, the Restricted Shareholders do not exercise the put option whilst the restriction on the remaining shares held by Restricted Shareholders have been released within 1 year following the SPA Closing Date and the Founder Shareholders do not hold any equity interest in the Target Company.

9. Dispute Resolutions

The Restricted Shareholders Agreement is governed by the law of India. Any disputes arising therefrom shall be submitted to the Singapore International Arbitration Centre for arbitration.

F. VOTING UNDERTAKING

On the signing date of the Transaction Documents, Fosun High Tech, the controlling shareholder of Fosun Pharma, issued a voting undertaking, pursuant to which Fosun High Tech undertakes to attend the general meeting of Fosun Pharma and to vote in favour of the Acquisition, and further undertakes not to reduce its shareholding in Fosun Pharma prior to such general meeting.

G. INFORMATION ON THE TARGET COMPANY

Gland is a company incorporated in 1978, with its headquarters based in Hyderabad, India, and is principally engaged in the manufacture of injectable drugs. The chairman of Gland is Mr. Penmetsa Venkata Narasimha Raju and the chief executive officer thereof is Dr. Ravi. Gland is the first injectable drug manufacturer in India which has been approved by the FDA and has obtained the GMP Certification in various markets in the world. Currently, Gland's main business model is joint development of products and introduction of licenses to provide all global major pharmaceutical companies with the manufacturing services in relation to injectable generic drugs. As one of the few companies which engage in the manufacture of injectable drugs, Gland takes a leading position among the comparable companies in the Indian market. As at the date of this announcement, the aggregate number of shares in issue of Gland is 15,494,949, with a nominal value of INR10 each, and the shareholding structure of its shareholders is as follows:

Name of the Shareholders	Percentage
KKR	38.410%
the Founder Shareholders	41.561%
the Vetter Family	10.026%
the BRR Family	9.955%
Dr. Sagi N	<u>0.048%</u>
Total	<u><u>100%</u></u>

According to the audited financial report of the Target Company (prepared in accordance with the Indian Generally Accepted Accounting Standards), as at 31 March 2016, the total assets of the Target Company was INR20,863 million. The below sets out the net profit (before tax and after tax) of the Target Company for two financial years (i.e. for the two financial years ended 31 March 2015 and 31 March 2016 prepared in accordance with Indian Accounting Standards) immediately before the Acquisition:

Unit: INR million

	For the year ended	
	31 March	
	2015	2016
Net profit (before tax)	2,724	4,591
Net profit (after tax)	2,093	3,136

H. INFORMATION ON FOSUN INTERNATIONAL AND THE RELEVANT PARTIES TO THE ACQUISITION

(a) Fosun International

Fosun International's principal businesses include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes four major segments: insurance, investment, wealth management and internet finance; the industrial operations include five key segments: health, happiness, steel, property development and sales, and resources.

(b) Fosun Pharma

Fosun Pharma Group is a leading healthcare group in China, mainly engaging in the business segments including the pharmaceutical manufacturing and research and development ("R&D"), healthcare service, production and sale of medical diagnosis and medical devices and pharmaceutical distribution and retail.

(c) KKR

KKR is a company incorporated under the laws of Singapore with limited liability, the business of which is investment holding. As of the date of this announcement, KKR held approximately 38.410% equity interest in the Target Company.

(d) The Founder Shareholders

The Founder Shareholders mainly comprise the family members of Dr. Ravi and the companies and trusts controlled and managed thereby. As of the date of this announcement, the Founder Shareholders held approximately 41.561% equity interest in the Target Company in total.

(e) The Vetter Family

The Vetter Family mainly comprises six individuals including Udo J. Vetter. As of the date of this announcement, the Vetter Family members held approximately 10.026% equity interest in the Target Company in total.

(f) The BRR Family

The BRR Family mainly comprises 14 companies including Elem Investments Private Limited. As at the date of this announcement, BRR Family held in aggregate 1,542,500 shares in the Target Company (of which 942,500 shares are tradable, while 600,000 shares are restricted from trading for legal reasons), representing approximately 9.955% equity interest in the Target Company.

I. REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION DOCUMENTS

The Target Company, as the first injectable drugs manufacturer in India that has obtained FDA approval, who has established an improved injectable drug manufacturing platform and the product lines with GMP Certification in the major regulated markets including the United States and Europe, and has capability in registration and marketing of medicine within certain regulated markets mainly including the United States. Following the completion of the Acquisition, the Target Company will be the core manufacturing and registration platform for international medicine of Fosun Pharma Group, and at the same time, by operating and managing the Target Company, it would be helpful to Fosun Pharma Group in upgrading its pharmaceutical production business, expediting the process of internationalization and promoting Fosun Pharma Group's market share in respect of injectable drugs.

Also, the Target Company has an outstanding capacity in R&D. Following the completion of the Acquisition, Fosun Pharma Group will proactively exploit the business in Indian and other markets with the help from the Target Company's R&D capacity and the policy advantages in respect of generic medicine in Indian market, in conjunction with Fosun Pharma Group's innovative R&D capacity in respect of biological medicine and production lines, with a view to expand the business scale of pharmaceutical production and R&D of Fosun Pharma Group.

Upon the completion of the Acquisition, the Target Company will be consolidated into the financial statements of Fosun Pharma Group. The payment of the Acquisition will be in cash, such consideration payment will be funded by self-raised funds of Fosun Pharma Group. For the purpose of completing the Acquisition, Fosun Pharma Group proposes to apply for a loan in the amount of no more than US\$800 million. Upon completion of the Acquisition, Fosun Pharma Group may expand its assets scale, whilst its gearing ratio and financial expenses will increase. Upon completion of the Acquisition, Fosun Pharma Group's revenue, EBITDA and operating cash flow will be promoted, and the Acquisition will also promote its long-term profitability.

In conclusion, the completion of the Acquisition will help to consolidate and enhance the Fosun Pharma Group's manufacture and research and development capability, promote the production and management level of Fosun Pharma Group, provide variety of its products, help to further exploit the international market and expedite its internationalization and enhance its profitability and core-competitiveness, and then lay a solid foundation for Fosun Pharma Group to further exploit the global pharmaceutical markets.

The Acquisition is in line with the development strategy of Fosun Pharma Group that persistently promotes the strategies of organic growth, external expansion and integrated development.

Directors (including the independent non-executive directors) of each of Fosun Pharma and Fosun International consider that the Acquisition and the transactions contemplated thereunder are on normal commercial terms and that the terms are fair and reasonable and in the interests of Fosun Pharma and Fosun International and their respective shareholders as a whole.

J. HONG KONG LISTING RULES IMPLICATIONS

For Fosun Pharma and Fosun International, as the applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition contemplated under the relevant Transaction Documents constitutes a discloseable transaction for Fosun Pharma and Fosun International and is subject to the notification and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

Shareholders and potential investors of Fosun Pharma and Fosun International should note that pending the fulfillment of the conditions under the relevant Transaction Documents, the Acquisition may or may not proceed. Shareholders and potential investors of Fosun Pharma and Fosun International are reminded to exercise caution when dealing in the securities of each of Fosun Pharma and Fosun International.

K. RESUMPTION OF TRADING

At the request of Fosun Pharma, trading in the shares of Fosun Pharma on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Thursday, 28 July 2016 pending the release of this joint announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the shares of Fosun Pharma on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 29 July 2016.

At the request of Fosun International, trading in the shares of Fosun International and the Convertible Bonds (stock code: 5996) issued by Logo Star Limited on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Thursday, 28 July 2016 pending the release of this joint announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the shares of Fosun International and the Convertible Bonds on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Friday, 29 July 2016.

L. DEFINITIONS

Unless the context other requires, the following expression have the following meaning in this announcement:

“Acquisition”	the Buyer proposes to invest no more than US\$1,261.37 million to acquire in aggregate approximately 79.997% equity interest in the Target Company from the Vendors and to subscribe for the Convertible Preference Shares to be issued by the Target Company, representing approximately 6.083% equity interest of the Target Company
“Ample Up”	Ample Up Limited, a company incorporated in Hong Kong, which is a subsidiary of Fosun Pharma

“BRR Family”	BRR Family that consists of 14 companies including Elem Investments Private Limited, as at the date of this announcement, held approximately 9.955% equity interest in the Target Company
“Business Day(s)”	any other business day(s) excluding Saturday, Sunday or other day(s) on which commercial banks in Hong Kong, Hyderabad, New York or Singapore do not open for business
“Buyer”	Fosun Pharma Industrial Pte. Ltd., a company incorporated under the laws of Singapore, which is a wholly-owned subsidiary of Fosun Pharma
“Co-Buyers”	Fosun Industrial, Ample Up, Lustrous Star and Regal Gesture
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Continuing Shareholder”	the Founder Shareholders who will continue to hold equity interest in the Target Company following the completion of the Acquisition
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Convertible Preference Shares”	compulsorily convertible preference shares of the Target Company, with a nominal value of INR10 each
“CP Satisfaction Date”	the date on which the conditions precedent to SPA closing under the Share Purchase Agreement have been fulfilled or waived
“Dr. Ravi”	Dr. P. Ravindranath
“Enoxaparin Launch”	the commencement of sales and/or distribution of the enoxaparin products in or into the United States or the US market
“FDA”	the U.S. Food and Drug Administration
“Founder Shareholders”	the founder shareholders primarily comprising Dr. Ravi’s family members as well as the companies and trusts controlled and managed thereby, as at the date of this announcement, held in aggregate approximately 41.561% equity interest in the Target Company

“Fosun High Tech”	Shanghai Fosun High Technology (Group) Company Limited (上海復星高科技(集團)有限公司), a company established in China with limited liability, which is a direct wholly-owned subsidiary of Fosun International and the controlling shareholder of Fosun Pharma
“Fosun Industrial”	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a subsidiary of Fosun Pharma
“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange, and the controlling shareholder of Fosun Pharma
“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
“GMP Certification”	Good Market Practice Certification
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“INR”	Rupees, the lawful currency of India and INR10 is equivalent to approximately RMB1
“KKR”	KKR Floorline Investments Pte. Ltd., a company incorporated under the laws of Singapore, and which held 38.41% equity interest in the Target Company as of the date of this announcement
“Lustrous Star”	Lustrous Star Limited, a company incorporated in Hong Kong, which is a subsidiary of Fosun Pharma

“NDRC”	the National Development and Reform Commission of the PRC (中國國家發展和改革委員會)
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Regal Gesture”	Regal Gesture Limited, a company incorporated in Hong Kong, which is a subsidiary of Fosun Pharma
“Relevant Closing Date”	the relevant date, on which the closing of the Share Purchase Agreement, the Subscription Agreement and the Residual Shareholders Buy Back Agreement occurs, and the Target Company shall notify the Restricted Shareholders of such date
“Residual Shareholders”	members of the BRR Family, other than Restricted Shareholders that hold in aggregate 942,500 shares of the Target Company, which are tradable, representing approximately 6.083% equity interest in the Target Company
“Residual Shareholders Buy Back Agreement”	the Residual Shareholders buy back agreement dated 28 July 2016 between the Residual Shareholders and the Target Company, pursuant to which the Target Company shall buy back 942,500 shares of the Target Company held by the Residual Shareholders
“Restricted Shareholders”	members of the BRR Family, other than the Residual Shareholders that, following the completion of the Acquisition, still hold in aggregate 600,000 shares of the Target Company representing approximately 3.872% equity interest in the Target Company
“Restricted Shareholders Agreement”	the Restricted Shareholders agreement dated 28 July 2016 between the Buyer, Restricted Shareholders and the Target Company that set out the rights and obligations of the parties thereto
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share Purchase Agreement”	the share purchase agreement dated 28 July 2016 entered into among Fosun Pharma, the Buyer, the Target Company, KKR and the Founder Shareholders, pursuant to which the Buyer agrees to purchase while KKR and the Founder Shareholders agree to sell 5,951,627 shares and in aggregate 4,890,327 shares held by them in the Target Company respectively
“Shareholders Agreement”	the shareholders agreement entered into among the Buyer, the Continuing Shareholders and the Target Company on 28 July 2016 to stipulate the respective rights and obligations of each party in relation to the Target Company
“SPA Closing”	the completion of the Share Purchase Agreement
“SPA Closing Date”	the latest of the following: (1) the seventeenth day after the CP Satisfaction Date (if such date is not a Business Day, the next day immediately after such date); or (2) such other date as may be agreed among the Target Company, the Vendors and the Buyer in writing
“Subscription Agreement”	the subscription agreement dated 28 July 2016 entered into between Fosun Pharma, the Buyer and the Target Company, pursuant to which the Buyer has agreed to subscribe for and the Target Company has agreed to allot and issue 942,500 Convertible Preference Shares with a nominal value of INR10 each
“Target Company” or “Gland”	Gland Pharma Limited, a company incorporated under the laws of India
“Termination Date”	27 January 2017, being the date falling the six months after the execution date of the Share Purchase Agreement (as extended as stipulated in accordance with the terms of the Share Purchase Agreement)
“Transaction Documents”	the transaction documents in relation to the Acquisition, including but not limited to the Share Purchase Agreement, Vetter Share Purchase Agreement, Subscription Agreement and Shareholders Agreement
“Vendors”	KKR, the Founder Shareholders and the Vetter Family

“Vetter Family”	Klaus Schonwetter, Udo J. Vetter, Bianca Maria Vetter, Cornelia Vetter Kerkhoff, Jenik Radon and Kaara Radon, all of whom are the existing shareholders of the Target Company, and holds in aggregate approximately 10.026% equity interest in the Target Company as at the date of this announcement
“Vetter Share Purchase Agreement”	the Vetter Share Purchase Agreement dated 28 July 2016 entered into among Fosun Pharma, the Buyer, the Co-Buyers, the Vetter Family and the Target Company, pursuant to which the Buyer and the Co-Buyers agree to purchase and the Vetter Family agrees to sell 1,553,500 shares held by it in the Target Company
“United States” or “US”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

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

By order of the board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, PRC
28 July 2016

As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Chen Qiyu and Mr. Yao Fang; the non-executive directors are Mr. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can; and the independent non-executive directors are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.

As at the date of this announcement, the executive directors of Fosun International are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetang, Mr. Chen Qiyu and Mr. Xu Xiaoliang; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao.

* For identification purposes only