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FOSUN PHARMA
复星医药

上海復星醫藥（集團）股份有限公司
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02196)

FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

JOINT ANNOUNCEMENT
DISCLOSEABLE TRANSACTION — PROGRESS ON ACQUISITION OF
THE CONTROLLING INTEREST IN GLAND PHARMA LIMITED

References are made to the joint announcements dated 28 July 2016, 24 April 2017 and 27 July 2017 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (“**Fosun Pharma**”, together with its subsidiaries, collectively, the “**Fosun Pharma Group**”) and Fosun International Limited (“**Fosun International**”), the controlling shareholder of Fosun Pharma, the announcements of Fosun Pharma dated 4 August 2016, 30 March 2017 and 1 August 2017, the circular of Fosun Pharma dated 11 August 2016 (the “**Circular**”) and the poll results announcement of Fosun Pharma dated 29 September 2016 in connection with, among other things, acquiring approximately an aggregate of 86.08% equity interest in Gland Pharma Limited (“**Gland Pharma**”), including the acquisition of 69.971% equity interest from KKR and the Founder Shareholders pursuant to the Share Purchase Agreement, the acquisition of 10.026% equity interest from the Vetter Family pursuant to the Vetter Share Purchase Agreement and the subscription of 942,500 Convertible Preference Shares pursuant to the Subscription Agreement representing approximately 6.083% of the equity interest in Gland Pharma. Unless otherwise specified, capitalized terms used herein shall have the same meaning ascribed to them in the Circular.

PROGRESS ON THE ACQUISITION

As at the date of this announcement, the approvals of the relevant PRC authorities in respect of the Acquisition have been obtained, and the United States anti-trust filings and Indian anti-trust filings have been completed.

Given Gland Pharma’s operation is in good condition, the Founder Shareholders propose to maintain a higher stake in Gland Pharma without impact on the acquisition of the controlling interest in Gland Pharma by Fosun Pharma Group, as well as expect to establish a closer cooperation with Fosun Pharma Group to jointly promote the sustainable and stable development of Gland Pharma. On 15 September 2017, based on the negotiation between the parties to the Acquisition, the relevant parties entered into certain amendments to the Transaction Documents, pursuant to which the acquisition plan was adjusted that the Buyer and Co-Buyers shall acquire an aggregate of approximately 74% equity interest in Gland

Pharma in an aggregate consideration of not more than US\$1,091.30 million (including a contingent consideration in the amount of not more than US\$25 million in relation to the Enoxaparin Launch). The amendments to the Transaction Documents include, but not limited to, the amendment No. 3 to the Share Purchase Agreement (the “**Amendment No. 3**”), pursuant to which the Buyer agreed to purchase an aggregate of 8,970,262 shares in Gland Pharma held by KKR and the Founder Shareholders, representing approximately 57.891% equity interest in Gland Pharma in consideration of not more than US\$905.21 million. Upon the completion of the transactions contemplated under the Transaction Documents and the amendments thereto (the equity interest to be acquired and subscribed for under the Vetter Share Purchase Agreement and the Subscription Agreement, and the price thereof, remain unchanged), it is expected that Fosun Pharma Group will hold approximately 74% equity interest in Gland Pharma. A summary of the amendments to the Transaction Documents is set out below:

AMENDMENT NO. 3

On 15 September 2017, the parties to the Share Purchase Agreement entered into the Amendment No. 3, pursuant to which (1) the Buyer agreed to (i) purchase an aggregate of 8,970,262 shares in Gland Pharma held by KKR and the Founder Shareholders, representing approximately 57.891% equity interest in Gland Pharma, in consideration of not more than US\$905.21 million, and (ii) 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 Pharma 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 after 31 December 2016 and before 31 December 2018 (inclusive), the upper limit of such contingent consideration will be US\$25 million, and if the Enoxaparin Launch occurs after 31 December 2018, the Buyer will not pay any contingent consideration; and (2) the Termination Date was extended to 3 October 2017.

Except for the amendments set out in the Amendments No. 3, other terms of the Share Purchase Agreement shall remain in full force and effect without amendment, modification or supplement.

As at the date of the Amendment No. 3, the approvals of the relevant PRC authorities and the United States anti-trust filings and Indian anti-trust filings in respect of the transactions contemplated under the Transaction Documents and the amendments thereto have been completed; meanwhile, no review and approval of the India Foreign Investment Promotion Board and the Cabinet Committee on Economic Affairs of India is required in relation to the transactions contemplated under the amendments to the Transaction Documents under the relevant Indian foreign investment policies. In this regard, all major conditions precedent in relation to the transactions contemplated under the Transaction Documents and the amendments thereto have been satisfied. According to the Share Purchase Agreement, the SPA Closing shall occur on the seventeenth day after the CP Satisfaction Date or such other date as agreed otherwise between the parties thereto.

AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

On 15 September 2017, the parties to the Shareholders Agreement entered into the amended and restated shareholders agreement (the “**A&R Shareholders Agreement**”).

Board Composition

Upon the completion of the transactions contemplated under the Transaction Documents and the amendments thereto, Gland Pharma shall have a board of directors consisting of not more than 9 directors subject to the adjustment to increase the number of directors in accordance with the A&R Shareholders Agreement:

- (a) the Buyer shall be entitled to nominate the majority seats on the board of directors of Gland Pharma;
- (b) in the event that the Continuing Shareholders own not less than 11% of the interest in Gland Pharma, the Continuing Shareholders shall be entitled to nominate 2 directors;
- (c) in the event that the Continuing Shareholders hold not less than 5% but less than 11% equity interest in Gland Pharma, and the Continuing Shareholders transfer at least 11.1% of the equity interest in Gland Pharma to a third party in accordance with the A&R Shareholders Agreement along with the right to nominate 1 director, the Continuing Shareholders shall be entitled to nominate either Mr. PVN Raju or another person, at their sole discretion, as a director and the said third party shall be entitled to nominate 1 director, provided that if such third party ceases to hold at least 11.1% equity interest in Gland Pharma, it shall not be entitled to nominate any director;
- (d) in the event that the Continuing Shareholders hold not less than 5% but less than 11% equity interest in Gland Pharma, and the Continuing Shareholders have not transferred their right to nominate 1 director to any third party, the Continuing Shareholders shall be entitled to nominate 1 director in addition to the appointment of Mr. PVN Raju as a director; and
- (e) in the event that the Continuing Shareholders hold less than 5% equity interest in Gland Pharma due to reasons other than equity transfer after the SPA Closing, they shall be entitled to nominate 1 director; if the Continuing Shareholders hold less than 5% equity interest in Gland Pharma by virtue of transfer of shares held by them after the SPA Closing, they shall not be entitled to nominate any director.

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 Gland Pharma held by the Founder Shareholders for a consideration up to US\$355 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 Gland Pharma 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 Gland Pharma held by the Founder Shareholders based on the fair market value determined in accordance with the A&R Shareholders Agreement. In the event of the grant of a new put option, the abovementioned put option will be terminated immediately.

Shareholders and potential investors of Fosun Pharma and Fosun International should note that as at the date of this announcement, the SPA Closing has not occurred. 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.

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

17 September 2017

As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors of Fosun Pharma are Mr. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can; and the independent non-executive directors of Fosun Pharma 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. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao, Mr. Wang Can, Ms. Kang Lan and Mr. Gong Ping; and the independent non-executive directors of Fosun International are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu.

* *for identification purposes only*