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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 SECURITIES PURCHASE AGREEMENT IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TRIDEM PHARMA S.A.S

The Board is pleased to announce that, on 27 October 2017, the Purchaser entered into the Securities Purchase Agreement with, among others, the Sellers, pursuant to which the Purchaser agreed to acquire the entire equity interest in the Target Company held by the Sellers in the aggregate consideration of not more than €63 million.

This announcement is made by the Company on a voluntary basis.

THE ACQUISITION

On 27 October 2017, the Purchaser, a subsidiary of the Company, and Fosun Industrial, a wholly-owned subsidiary of the Company, entered into the Securities Purchase Agreement with the Sellers, pursuant to which the Purchaser agreed to purchase the entire equity interest in the Target Company in the aggregate consideration of not more than €63 million.

Major terms of the Securities Purchase Agreement are summarised as follows:

Date

27 October 2017

Parties

- (a) The Purchaser;
- (b) The Sellers; and
- (c) Fosun Industrial

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Sellers and their respective ultimate beneficial owners are independent third parties to the Company and its connected persons.

Assets to be acquired

Under the Securities Purchase Agreement, the Purchaser agreed to purchase and the Sellers agreed to sell the entire equity interest in the Target Company held thereby in accordance with the terms and conditions of the Securities Purchase Agreement.

Closings

Initial Closing

Under the Securities Purchase Agreement, the completion of the sale and purchase of the Transferred Shares held by the Sellers (the “**Initial Closing**”) shall take place on the Initial Closing Date, which shall be:

- (a) a date to be set by agreement between the Purchaser and the Sellers; or
- (b) failing such agreement, at 9:00 a.m. on the 10th Business Day following the day on which all conditions precedent under the Securities Purchase Agreement are satisfied or waived.

Second Closing

Under the Securities Purchase Agreement, the completion of the sale and purchase of the Remaining Shares held by Financière des Lices (the “**Second Closing**”) shall take place on the Second Closing Date, which shall be:

- (a) the later of (i) the 25th Business Day following the date of receipt of the Pre-Second Closing Notice and no disagreement notice is notified by the Purchaser, and (ii) the 5th Business Day following the date on which the price of the Remaining Shares is finally determined in accordance with the Securities Purchase Agreement; or
- (b) any other day mutually agreed between the parties to the Securities Purchase Agreement.

Conditions Precedent

The transactions in respect of the Initial Closing contemplated under the Securities Purchase Agreement are subject to the following major conditions:

- (a) obtaining the approval of the Ministry of Commerce or the relevant competent authorities of PRC on the Acquisition; and
- (b) obtaining the outbound investment approval of the National Development and Reform Commission or the relevant competent authorities of PRC on the Acquisition.

Payment Schedule of the Consideration of Transferred Shares and Remaining Shares

On the Initial Closing Date, the Purchaser shall (i) pay an amount equal to the aggregate consideration of the Transferred Shares, in the amount of not more than €46 million, minus the Escrow Amount to the Sellers, and (ii) pay the Escrow Amount to the account designated by the escrow agent.

On the Second Closing Date, the Purchaser shall pay the consideration of the Remaining Shares in the amount of not more than €17 million to Financière des Lices.

Shareholders' Agreement

Under the Securities Purchase Agreement, the Purchaser, Financière des Lices and Mr. Baylé shall enter into a shareholders' agreement on the Initial Closing Date, the major terms of which are summarised as follows:

Board composition

The board of directors of the Target Company shall consist of at least 5 directors, among which the Purchaser shall have the right to nominate at least 4 directors. Financière des Lices shall have the right to nominate 1 director from the date of the shareholders' agreement to the Second Closing Date.

Non-Competition

Each of Financière des Lices and Mr. Baylé undertakes that it/he shall not, and shall procure that none of its/his affiliates shall, for the period when Financière des Lices holds equity interest in the Target Company and 2 year-period following the date on which Financière des Lices ceases to hold any equity interest of the Target Company, own, operate, manage, control, participate in, consult with, advise, provide services for, or in any manner engage in any business, which competes with the business of the Target Company or its subsidiaries within Africa.

Termination of the Securities Purchase Agreement

Subject to the provisions in the Securities Purchase Agreement, if the Initial Closing has not occurred by 27 February 2018, either the Purchaser or the Sellers is entitled to terminate the Securities Purchase Agreement.

Dispute Resolution

The Securities Purchase Agreement shall be governed by French law. Any dispute arising from or in relation to the Securities Purchase Agreement shall be submitted to an arbitration tribunal in Paris and settled under the rules of arbitration of the International Chamber of Commerce (ICC) as in force from time to time.

REASON AND BENEFIT OF ENTERING INTO THE SECURITIES PURCHASE AGREEMENT

The Acquisition is beneficial to the Group in continuously expanding its market share in Europe and Africa and conforming to the development strategies of organic growth, external expansion and integrated development. By virtue of the mature sales network and upstream and downstream resources of clients and customers established by the Target Company in French speaking African countries and regions, the Group will further perfect the international marketing platform selling pharmaceutical products, promote deep cooperation with pharmaceutical companies in Europe and the United States and expand the coverage of marketing pharmaceutical products of the Group in the international markets (especially Africa). The Acquisition will promote the enterprise brand of the Group and strengthen the position of the Group in the industry.

Upon the completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

GENERAL

The Purchaser

The Purchaser is a company incorporated in Switzerland and a subsidiary of the Company, which mainly engaged in investment in the field of health and nutrition.

Target Company

Tridem Pharma was established in 1986 with its headquarters in Escalquens, France. It is the third largest pharmaceutical distribution and promotion company in French speaking Africa. Its sale network covers 21 French speaking African countries and regions.

DEFINITIONS

“Acquisition”	Under the Securities Purchase Agreement, the Purchaser agreed to acquire the entire equity interest in the Target Company held by the Sellers in the aggregate consideration of not more than €63 million
“Board”	the board of Directors of the Company
“Business Day”	every day except Saturdays, Sundays and statutory holidays in Paris (France) and in Shanghai (PRC) on which the main commercial banks are open for the transaction of normal banking business
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively

“connected person(s)”	has the meaning given to it under the Hong Kong Listing Rules
“Director(s)”	the directors of the Company
“€”	Euros, the single currency of participating members of the European Union
“Escrow Amount”	€1,206,191 to be held in escrow by the escrow agent until the expiry of a 12-month period from the Initial Closing in accordance with the terms of the Securities Purchase Agreement
“Financière des Lices”	Financière des Lices, a limited company incorporated in accordance with the laws of France. As at the date of this announcement, it holds approximately 54.02% equity interest in the Target Company
“Fosun Industrial”	Fosun Industrial Co., Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Initial Closing Date”	the date on which the Initial Closing shall take place in accordance with the terms of the Securities Purchase Agreement
“Lauthi”	LAUTHI, a <i>société par actions simplifiée</i> incorporated in accordance with the laws of France, a shareholder of the Target Company. As at the date of this announcement, it holds approximately 25% equity interest in the Target Company
“Mr. Baylé”	Mr. Gérard Baylé, a founder shareholder of the Target Company
“Mr. Operti”	Mr. Jean-Louis Operti, a founder shareholder of the Target Company
“Mr. Degoul”	Mr. Jean-Philippe Degoul, a shareholder of the Target Company
“Mr. Renard”	Mr. Daniel Renard, a shareholder of the Target Company

“Mr. Schwartz”	Mr. Jean-David Schwartz, a shareholder of the Target Company
“Multicroissance”	Multicroissance, a <i>société par actions simplifiée</i> incorporated in accordance with the laws of France, a shareholder of the Target Company
“PMC”	FCPR PMC II, a fund in France that is represented by LT Capital (a <i>société par actions simplifiée</i> incorporated in accordance with the laws of France). As at the date of this announcement, it holds approximately 15.60% equity interest in the Target Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-Second Closing Notice”	the notice to be sent by Financière des Lices to the Purchaser relating to the determination of the price of the Remaining Shares, on the earlier of (i) the expiration of 20-Business Day period from the date on which the shareholders of the Target Company approve the consolidated accounts of 2019; and (ii) 30 June 2020, in accordance with the Securities Purchase Agreement
“Purchaser”	Fosun Pharmaceutical AG., a subsidiary of the Company
“Remaining Shares”	all shares in the Target Company held by Financière des Lices on the date of receipt of the Pre-Second Closing Notice
“Second Closing Date”	the date on which the Second Closing shall take place in accordance with the terms of the Securities Purchase Agreement
“Securities Purchase Agreement”	the securities purchase agreement entered into between The Purchaser, Fosun Industrial and the Sellers in relation to the Acquisition dated 27 October 2017
“Sellers”	existing shareholders of the Target Company, including PMC, Multicroissance, Financière des Lices, Mr. Baylé, Lauthi, Mr. Operti, Mr. Degoul, Mr. Renard and Mr. Schwartz
“subsidiary(ies)”	has the meaning given to it under the Hong Kong Listing Rules
“Target Company” or “Tridem Pharma”	Tridem Pharma S.A.S, a <i>société par actions simplifiée</i> incorporated in accordance with the laws of France

“Transferred Shares” 10,515,134 shares of the Target Company, representing approximately 82% of the total equity interest in the Target Company as at the Initial Closing Date

“%” per cent

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

Shanghai, the People’s Republic of China

29 October 2017

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

* *for identification purposes only*