
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

ANNUAL REPORT 2022
BOARD REPORT 2022
SUPERVISORY COMMITTEE REPORT 2022
FINAL ACCOUNTS REPORT 2022
PROFIT DISTRIBUTION PROPOSAL 2022
RE-APPOINTMENT OF AUDITORS
APPRAISAL RESULTS
APPRAISAL PROGRAM
ENTRUSTED LOANS/BORROWINGS QUOTA
PROVISION OF LOAN TO FOSUN KITE (A JOINT VENTURE) IN PROPORTION
TO EQUITY INTEREST
TOTAL CREDIT APPLICATIONS
AUTHORISATION TO DISPOSE OF LISTED SECURITIES
ADJUSTMENT OF INEDS ALLOWANCE
AMENDMENTS TO THE RELATED PARTY TRANSACTION MANAGEMENT
SYSTEM
ELECTION OF SUPERVISOR
RENEWED AND ADDITIONAL GUARANTEE QUOTA
GRANT OF GENERAL MANDATE TO ISSUE A SHARES AND/OR H SHARES
GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES
GRANT OF GENERAL MANDATE TO REPURCHASE A SHARES
AND
NOTICE OF AGM
NOTICE OF H SHAREHOLDERS CLASS MEETING

A letter from the Board is set out on pages 6 to 23 of this circular. Notices convening the AGM and H Shareholders Class Meeting to be held at Sky Fortune Boutique Hotel Shanghai, No. 358 Hong Xu Road, Shanghai, the PRC on Wednesday, 28 June 2023 at 1:00 p.m. are set out on pages AGM-1 to HCM-5 of this circular. The forms of proxy for the AGM and H Shareholders Class Meeting are enclosed herewith and also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.fosunpharma.com>).

Whether or not you are able to attend the said meetings, you are reminded to complete, sign and return the forms of proxy enclosed, in accordance with the instructions printed thereon. The forms of proxy shall be lodged at the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 24 hours before the time appointed for the convening of the relevant meetings. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the AGM and the H Shareholders Class Meeting should you so wish.

* for identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Appendix I — Board Report 2022	I-1
Appendix II — Supervisory Committee Report 2022	II-1
Appendix III — Final Accounts Report 2022	III-1
Appendix IV — Appraisal Results	IV-1
Appendix V — Entrusted Loans/Borrowings Quota	V-1
Appendix VI — Total Credit Applications	VI-1
Appendix VII — Amendments to the Related Party Transaction Management System	VII-1
Appendix VIII — Election of Supervisor	VIII-1
Appendix IX — Renewed and Additional Guarantee Quota	IX-1
Appendix X — Grant of General Mandate to Issue A Shares and/or H Shares	X-1
Appendix XI — Explanatory Statement on the Repurchase Mandates	XI-1
Notice of AGM	AGM-1
Notice of H Shareholders Class Meeting	HCM-1

DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“A Share(s)”	domestic share(s) with a nominal value of RMB1 each of the Company, which is (are) listed on the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of the A Shares
“A Shareholders Class Meeting”	the 2023 first class meeting of A Shareholders to be held upon the conclusion of the AGM on Wednesday, 28 June 2023 or any adjournment thereof
“A Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase, according to the repurchase plan to be determined by the Board, not exceeding 10% of the number of A Shares in issue as at the date of passing the proposed relevant resolutions at the AGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting, details of which are set out in the notices of the AGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting
“AGM”	the annual general meeting of the Company to be held at Sky Fortune Boutique Hotel Shanghai, No. 358 Hong Xu Road, Shanghai, the PRC on Wednesday, 28 June 2023 at 1:00 p.m. or any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company in effect at the time
“BNTX”	BioNTech SE, a company registered in Germany, the shares of which are listed on the NASDAQ (Stock Code: BNTX)
“Board”	the board of directors of the Company
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Company” or “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 limited company incorporated 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

DEFINITIONS

“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the member states of the European Union
“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 incorporated in the PRC with limited liability, and a direct wholly-owned subsidiary of Fosun International and the controlling shareholder of the Company
“Fosun International”	Fosun International Limited, 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 (stock code: 00656), and the controlling shareholder of the Company
“Fosun Kite”	Fosun Kite Biotechnology Co., Ltd.* (復星凱特生物科技有限公司), a company incorporated in the PRC with limited liability and a joint venture in which the Company indirectly holds 50% equity interest
“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 incorporated in the PRC with limited liability and a subsidiary of the Company
“General Mandate to Issue A Shares and/or H Shares”	the general mandate to allot, issue or otherwise deal with A Shares and/or H Shares proposed to be granted at the AGM

DEFINITIONS

“Gilead Sciences”	Gilead Sciences, Inc., a biopharmaceutical company incorporated in the United States and listed on the NASDAQ and an independent third party
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) with nominal value of RMB1.00 each of the Company, which is (are) listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders Class Meeting”	the 2023 first class meeting of H Shareholders to be held upon the conclusion of the AGM and the A Shareholders Class Meeting on Wednesday, 28 June 2023 or any adjournment thereof
“H Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase not exceeding 10% of the number of H Shares in issue as at the date of passing the proposed relevant resolutions at the AGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting, details of which are set out in the notices of the AGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kite Pharma”	KP EU C.V., a limited partnership established in Amsterdam, Netherlands, a subsidiary of Gilead Sciences and an independent third party
“Latest Practicable Date”	16 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“NASDAQ”	National Association of Securities Dealers Automated Quotations
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan region
“Reporting Period”	the 12-month period ended 31 December 2022
“RMB” or “Yuan”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“Repurchase Mandates”	the A Share Repurchase Mandate and the H Share Repurchase Mandate
“SAFE”	the State Administration of Foreign Exchange of the PRC
“Securities Law”	the Securities Laws of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Stock Exchange” or “SSE”	the Shanghai Stock Exchange
“Share(s)”	share(s) of the Company, comprising H Shares and A Shares
“Shareholder(s)” or the “shareholder(s) of Fosun Pharma”	holder(s) of Share(s)
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, as amended from time to time
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the committee of Supervisors
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs
“US” or “United States”	the United States of America

DEFINITIONS

“USD” or “US\$”	United States dollar, the lawful currency of the United States
“%”	percent

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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)

Executive Directors:

Mr. WU Yifang (*Chairman*)
Mr. WANG Kexin (*Co-Chairman*)
Ms. GUAN Xiaohui (*Vice Chairman*)
Mr. WEN Deyong (*Chief Executive Officer*)

Non-executive Directors:

Mr. CHEN Qiyu
Mr. YAO Fang
Mr. XU Xiaoliang
Mr. PAN Donghui

Independent Non-executive Directors:

Ms. LI Ling
Mr. TANG Guliang
Mr. WANG Quandi
Mr. YU Tze Shan Hailson

Registered office:

9th Floor, No. 510 Caoyang Road
Putuo District
Shanghai, 200063, China

Headquarter:

Building A, No. 1289 Yishan Road
Shanghai, 200233, China

Principal Place of Business

in Hong Kong:
5/F, Manulife Place
348 Kwun Tong Road, Kowloon
Hong Kong

25 May 2023

To the Shareholders

Dear Sir or Madam,

ANNUAL REPORT 2022
BOARD REPORT 2022
SUPERVISORY COMMITTEE REPORT 2022
FINAL ACCOUNTS REPORT 2022
PROFIT DISTRIBUTION PROPOSAL 2022
RE-APPOINTMENT OF AUDITORS
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AND
NOTICE OF AGM
NOTICE OF H SHAREHOLDERS CLASS MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to give you notices of the AGM and H Shareholders Class Meeting and to provide you with information regarding certain ordinary resolutions and/or special resolutions to be proposed at the aforementioned meetings relating to the following matters to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the meeting:

At the AGM, resolutions will be proposed to approve, among others:

1. the annual report of the Group for the year 2022 (the “**Annual Report 2022**”);
2. the work report of the Board for the year 2022 (the “**Board Report 2022**”);
3. the work report of the Supervisory Committee for the year 2022 (the “**Supervisory Committee Report 2022**”);
4. the final accounts report of the Group for the year 2022 (the “**Final Accounts Report 2022**”);
5. the profit distribution proposal of the Company for the year 2022 (the “**Profit Distribution Proposal 2022**”);
6. the re-appointment of Ernst & Young Hua Ming LLP as the PRC financial report and internal control report auditors of the Company for the year 2023 and re-appointment of Ernst & Young as international financial report auditor of the Company for the year 2023 and the approval of remuneration packages for the PRC and international auditors for the year 2022 (the “**Re-appointment of Auditors**”);
7. the appraisal results and remunerations of Directors for 2022 (the “**Appraisal Results**”);
8. the appraisal program of Directors for 2023 (the “**Appraisal Program**”);
9. the renewed and additional entrusted loans/borrowings quota of the Group (the “**Entrusted Loans/Borrowings Quota**”);
10. the provision of a loan to Fosun Kite, a joint venture, in proportion to equity interest (the “**Provision of loan to Fosun Kite (a joint venture) in proportion to equity interest**”);
11. the additional credit applications of the Company (the “**Total Credit Applications**”);
12. the authorisation of the management to dispose of the shares of the listed companies held by the Group (the “**Authorisation to Dispose of Listed Securities**”);
13. the adjustment of allowance of independent non-executive Directors (the “**Adjustment of INEDs Allowance**”);

LETTER FROM THE BOARD

14. the amendments to the Related Party Transaction Management System of the Company (the “**Amendments to the Related Party Transaction Management System**”);
15. the election of a Supervisor (the “**Election of Supervisor**”);
16. the authorisation to the renewed and additional guarantee quota of the Group (the “**Renewed and Additional Guarantee Quota**”);
17. the proposed grant of the general mandate to the Board to issue A Shares and/or H Shares (the “**Grant of General Mandate to Issue A Shares and/or H Shares**”);
18. the proposed grant of the general mandate to repurchase H Shares (the “**Grant of General Mandate to Repurchase H Shares**”); and
19. the proposed grant of the general mandate to repurchase A Shares (the “**Grant of General Mandate to Repurchase A Shares**”).

II. DETAILS OF THE RESOLUTIONS

1. Annual Report 2022

An ordinary resolution will be proposed at the AGM to pass the Annual Report 2022. The Annual Report 2022 (for H Shares) is published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

2. Board Report 2022

An ordinary resolution will be proposed at the AGM to pass the Board Report 2022. The full text of the Board Report 2022 proposed to be passed is set out in Appendix I to this circular.

3. Supervisory Committee Report 2022

An ordinary resolution will be proposed at the AGM to pass the Supervisory Committee Report 2022. The full text of the Supervisory Committee Report 2022 proposed to be passed is set out in Appendix II to this circular.

4. Final Accounts Report 2022

An ordinary resolution will be proposed at the AGM to pass the Final Accounts Report 2022. The full text of the Final Accounts Report 2022 proposed to be passed is set out in Appendix III to this circular.

LETTER FROM THE BOARD

5. Profit Distribution Proposal 2022

An ordinary resolution will be proposed at the AGM to pass the Profit Distribution Proposal 2022. The Profit Distribution Proposal 2022 proposed to be passed is set out as follows:

Pursuant to the Articles and other relevant rules, the Board has proposed the payment of a final dividend of RMB0.42 per Share (before tax) to Shareholders who are qualified for participating in profit distribution.

Dividends will be distributed to A Shareholders and H Shareholders in RMB and HK\$, respectively. The actual amount of dividend for H Shares shall be calculated in HK\$ based on the average benchmark exchange rate between RMB and HK\$ published by the People's Bank of China for the five (5) business days immediately before the date of the AGM.

It is also proposed to the AGM that the Board or its authorized representatives be authorized to implement the aforesaid Profit Distribution Proposal 2022. The Company will give further notice on the record date and book closure dates for the purpose of determining the entitlement of Shareholders to the aforesaid final dividend for H Shares.

6. Re-appointment of Auditors

An ordinary resolution will be proposed at the AGM to pass the Re-appointment of Auditors, and the remuneration packages for the PRC and international auditors for the year 2022, which is set out as follows:

As at the end of 2022, Ernst & Young Hua Ming LLP had been providing the Company with domestic annual report audit services for 15 years and internal control annual audit services for 10 years, while Ernst & Young had been providing the Company with international annual report audit services for 11 years. Based on the audit services in the previous years, the Company intends to re-appoint Ernst & Young Hua Ming LLP as the PRC financial report and internal control auditors of the Company for the year 2023, and to re-appoint Ernst & Young as the international financial report auditors of the Company for the year 2023.

It is proposed to the AGM to approve the remuneration to be paid to Ernst & Young Hua Ming LLP for providing the PRC financial report and internal control audit services for the Company amounting to RMB2.80 million and RMB0.75 million, respectively, and the remuneration to be paid to Ernst & Young for providing international financial report audit services for the Company amounting to RMB1.21 million, for the year 2022.

It is also proposed to the AGM that the Board or its authorized representatives be authorized to implement the aforesaid proposal regarding remuneration packages for auditors.

LETTER FROM THE BOARD

7. Appraisal Results

An ordinary resolution will be proposed at the AGM to pass the Appraisal Results. The full text of the Appraisal Results to be passed is set out in Appendix IV to this circular.

8. Appraisal Program

An ordinary resolution will be proposed at the AGM to pass the Appraisal Program. The Appraisal Program to be passed is set out as follows:

In 2023, the appraisal of executive Directors (save for those who are also senior management of the Company) is mainly based on the 5-year strategic plan and the work focus in 2023, and the details of the appraisal are determined based on parameters such as finance, business, mechanism and talents.

In 2023, the remuneration of the abovementioned executive Directors consists of monthly salaries and annual performance assessment bonus. The remuneration should be determined primarily based on the economic benefits received by the Company and by reference to other factors including the responsibilities and actual performance of the Directors and the remuneration standards of the industry.

9. Entrusted Loans/Borrowings Quota

An ordinary resolution will be proposed at the AGM to pass the Entrusted Loans/Borrowings Quota. The full text of the Entrusted Loans/Borrowings Quota to be passed is set out in Appendix V to this circular.

10. Provision of loan to Fosun Kite (a joint venture) in proportion to equity interest

An ordinary resolution will be proposed at the AGM for the Shareholders to consider and approve a proposal in relation to the provision of a loan to Fosun Kite, a joint venture of the Company, in proportion to the equity interest, and to authorize the management of the Company and/or its authorized persons to determine and adjust the specific arrangements of the Loan within the reported and approved loan limit and sign the relevant legal documents. Details of the proposal are as follows:

(1) *Overview of the Loan*

In order to meet Fosun Kite's business plan and capital needs, Fosun Pharmaceutical Industrial, a subsidiary of the Company, and the other shareholder of Fosun Kite, Kite Pharma (together with Fosun Pharmaceutical Industrial, collectively referred to as "**Both Shareholders**"), propose to provide Fosun Kite with a new loan of not more than equivalent of RMB200 million (inclusive) in total in proportion to their respective equity interests in Fosun Kite (including by direct borrowing or through entrusted loans, the same below), among which, Fosun Pharmaceutical Industrial proposes to provide Fosun Kite with a loan of not more than equivalent of RMB100

LETTER FROM THE BOARD

million (inclusive) (the “**Loan**” or “**Related Party Transaction**”) based on the proportion of its equity interest in Fosun Kite (i.e. 50%). The proposed terms of the Loan are as follows:

- a. Loan amount: Both Shareholders will provide a new loan of not more than equivalent of RMB200 million (inclusive) in total in proportion to their equity interests
- b. Loan term: Not more than 2 years (if the loan is provided in tranches, the respective loan term of that tranche will commence on the date of drawdown of that tranche)
- c. Loan interest rate: Not lower than 1.1 times the latest loan prime rate as published by the National Interbank Funding Center (the “**benchmark interest rate**”) on the date of drawdown
- d. Loan repayment method: Interest will be paid quarterly and the principal will be repaid upon maturity together with the last instalment of interest

The authorization of the Loan shall be valid upon the approval at the Company’s AGM until the earlier of:

- a. the conclusion of the next annual general meeting of the Company;
- b. the passing of any resolution at any general meeting of the Company revoking or varying the authorization referred to in this resolution.

Fosun Pharmaceutical Industrial will provide the Loan to Fosun Kite with its self-generated funds.

SSE Listing Rule Implications

Pursuant to the relevant provisions of the SSE Listing Rules, as the Directors and senior management of the Company are also directors of Fosun Kite (which is not a subsidiary of the Company), Fosun Kite constitutes a related party of the Company and the loan to be provided by Fosun Pharmaceutical Industrial to Fosun Kite constitutes financial assistance to a related party.

As the Loan will be provided by Both Shareholders, including Fosun Pharmaceutical Industrial, in proportion to their equity interests to Fosun Kite (a related party), the Loan is required to be submitted to the general meeting of the Company for approval in accordance with the SSE Listing Rules.

LETTER FROM THE BOARD

Hong Kong Listing Rule Implications

Neither Kite Pharma nor Fosun Kite is a connected person of the Company under the Hong Kong Listing Rules. Pursuant to Chapter 14 of the Hong Kong Listing Rules, the applicable percentage ratios for the financial assistance provided by the Group to Fosun Kite via the Loan and those in the past 12 months in the aggregate (please refer to “(2) Basic information of the borrower and the other shareholder” in the following paragraph) are all less than 5% and therefore, the Loan does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules, or a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

(2) *Basic information of the borrower and the other shareholder*

a. Fosun Kite as the borrower

Fosun Kite was established in April 2017 and the place of incorporation is Shanghai, the PRC with Mr. Huang Hai as its legal representative. The scope of business of Fosun Kite is technology development, technology transfer, technology consultation, technology services and transfer of technical achievements in the fields of biotechnology and medical technology (except for diagnosis, treatment, psychological counseling, human stem cell, gene diagnosis and treatment technology development and application); production of pharmaceutical products; import, export, wholesale and commission agency (except for auction) of chemical products (excluding dangerous chemicals, controlled chemicals, fireworks, civil explosives and drug-making chemicals), apparatus, instrument, machinery and equipment, and investment consultation (except for finance and securities) For the projects subject to approval in accordance with the law, the operating activities shall be carried out upon approval from relevant authority(ies). As at the Latest Practicable Date, the registered capital of Fosun Kite was US\$209 million, and each of Fosun Pharmaceutical Industrial and Kite Pharma held 50% equity interest in Fosun Kite.

In June 2021, Fosun Kite’s first product, Yi Kai Da (Ejilunsai injection), was approved for launch in the PRC, and became the first CAR-T cell therapy product approved for domestic launch for the treatment of adult patients with relapsed or refractory large B-cell lymphoma after prior second-line or higher systemic therapy, and its second indication (for the treatment of patients with relapsed or refractory inert non-Hodgkin’s lymphoma after prior second-line or higher systemic therapy) has been approved for initiating clinical trials in the PRC and included in the breakthrough therapy drug program; and the drug registration application for its third indication (for the treatment of adult patients with large B-cell lymphoma (r/r LBCL) who have failed first-line immunochemotherapy or relapsed within 12 months after first-line immunochemotherapy) has been accepted by the National Medical Products Administration and included in the list of priority review products). Fosun Kite’s second product, FKC889 (an autologous CD19-directed

LETTER FROM THE BOARD

CAR-T cell therapy product), received approval to initiate clinical trials in the PRC for the treatment of adult patients with relapsed or refractory mantle cell lymphoma (r/r MCL) after prior second-line and higher systemic therapy in March 2022, and received approval to initiate clinical trials in the PRC for the treatment of relapsed or refractory adult precursor B-cell acute lymphoblastic leukaemia (adult r/r ALL) in December 2022.

According to the management statements of Fosun Kite (unaudited), as at 31 December 2022, Fosun Kite's total assets amounted to RMB1,105.49 million, equity attributable to owners amounted to RMB406.09 million and total liabilities amounted to RMB699.40 million. In 2022, Fosun Kite realized an operating revenue of RMB186.19 million and a net profit of RMB-389.57 million.

As at the Latest Practicable Date, the principal balance of the loans provided by the Group to Fosun Kite was RMB121.14 million, which will be due on 12 October 2024.

b. *Kite Pharma as the other shareholder*

Kite Pharma is a limited partnership established under the laws of the Netherlands and the place of incorporation is Amsterdam, the Netherlands. As at the Latest Practicable Date, Kite Pharma was wholly owned by Gilead Sciences by holding all partnership interest through Kite Pharma, Inc. and its wholly owned subsidiaries. Gilead Sciences was founded in 1987 and the place of incorporation is the United States. It was listed on the NASDAQ in the United States in 1992. Gilead Sciences is a research-based biopharmaceutical company with products and investigational drugs in therapeutic areas such as HIV, liver diseases, cancer, inflammatory and respiratory diseases as well as cardiovascular diseases.

Based on the financial reports (on a consolidated basis) published by Gilead Sciences and audited by Ernst & Young LLP, as at 31 December 2022, Gilead Sciences's total assets amounted to US\$63,171 million, equity attributable to owners amounted to US\$21,240 million and total liabilities amounted to US\$41,962 million. In 2022, Gilead Sciences realized an operating revenue of US\$27,281 million and a net profit of US\$4,592 million.

(3) *Signing of agreements in relation to the Loan*

As at the Latest Practicable Date, the parties had not signed any agreement in respect of the Loan.

LETTER FROM THE BOARD

(4) *Risk analysis and risk control measures for the provision of the Loan*

As Fosun Kite is a joint venture of the Company and the Loan will be provided by Both Shareholders in the same proportion, the risk will be relatively under control. The Company will closely monitor Fosun Kite's future operations and capital status, as well as strengthen the tracking and management of repayments.

(5) *Purpose and impact of the Related Party Transaction*

Fosun Kite is a joint venture of the Company, and is principally engaged in the R&D, production and commercialization of oncology immune cell therapy products. The loan to be provided by Both Shareholders, including Fosun Pharmaceutical Industrial, to Fosun Kite will be mainly used for the commercialization of its products and investment in its R&D pipeline to further accelerate the progress of the R&D and commercialization of the relevant products.

(6) *Opinions of the independent non-executive Directors*

The independent non-executive Directors of the Company expressed their independent opinions on the Related Party Transaction as follows: the Loan complies with the Company Law, the Securities Law, the SSE Listing Rules and other relevant regulations, and the pricing of the transaction is fair and reasonable. The voting procedures of the Board in respect of the Loan are legal and there is no prejudice to the interests of the Company and its shareholders, in particular small and medium shareholders. The Loan is thereby approved and is approved to be submitted to the general meeting for consideration.

11. Total Credit Applications

An ordinary resolution will be proposed at the AGM to pass the Total Credit Applications. The full text of the Total Credit Applications proposed to be passed is set out in Appendix VI to this circular.

12. Authorisation to Dispose of Listed Securities

An ordinary resolution will be proposed at the AGM to pass the Authorisation to Dispose of Listed Securities. Details of the resolution proposed to be passed with respect to the Authorisation to Dispose of Listed Securities are set out as follows:

In order to better support the development of the principal businesses of the Group, it is proposed to the AGM to authorise the management to dispose of the shares of domestic and overseas listed companies held by the Group, as and when appropriate based on the conditions of the securities market. At the same time, it is proposed to the AGM to authorise the management to determine the detailed disposal plan (including but not limited to the subject matter, sale price, amount and method of the disposal), and the total transaction amount of the

LETTER FROM THE BOARD

disposal of the foregoing assets shall not exceed 15% (inclusive) of the Group's latest audited net assets attributable to the parent company's shareholders. Proceeds from the disposal shall be used for replenishment of working capital of the Group.

The Authorisation to Dispose of Listed Securities shall be valid upon the approval at the AGM to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.

As at the Latest Practicable Date, there was no transaction or proposed transaction in respect of listed securities held by the Group under the Authorisation to Dispose of Listed Securities that proposed to the Shareholders at the AGM. The Company will comply with, among others, the reporting, announcement and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules, as and when applicable, in relation to the disposal of listed securities held by the Group.

13. Adjustment of INEDs Allowance

An ordinary resolution will be proposed at the AGM in respect of the adjustment of allowance of independent non-executive Directors. The Adjustment of INEDs Allowance proposed to be passed is set out as follows:

Pursuant to the relevant provisions of the Rules for the Independent Directors of Listed Companies (《上市公司獨立董事規則》) issued by the CSRC and the Independent Non-executive Director System of the Company, the allowance standard of independent non-executive Directors is proposed to be adjusted from the current RMB300,000 (before tax) per year to RMB400,000 (before tax) per year from the year 2023 onward, taking into consideration of the contribution of independent non-executive Directors in the operation of the Board and their actual fulfilment of duties and with reference to the allowance standards of independent non-executive directors of listed companies at the same scale.

14. Amendments to the Related Party Transaction Management System

An ordinary resolution will be proposed at the AGM to pass and amend the Related Party Transaction Management System. Full text of the Amendments to the Related Party Transaction Management System proposed to be passed is set out in Appendix VII to this circular.

LETTER FROM THE BOARD

15. Election of Supervisor

An ordinary resolution will be proposed at the AGM to elect a Supervisor. Details of the resolution in relation to the Election of Supervisor proposed to be passed are as follows:

Pursuant to the Articles of Association, the Supervisory Committee shall be composed of 3 Supervisors. Mr. Cao Genxing has resigned as a Supervisor of the Company due to his age. Pursuant to the Articles of Association, the Company Law and the relevant and applicable laws and regulations, the resignation of Mr. Cao Genxing will result in the number of members of the Supervisory Committee to fall below the statutory minimum level. To ensure the effective operation of the Company, a Supervisor needs to be elected to the Supervisory Committee of the Company.

Mr. Chen Bing has been nominated by the Supervisory Committee to be the candidate for a Supervisor of the ninth session of the Supervisory Committee with a term commencing from the date of consideration and approval at the AGM of the Company and ending on the expiration date of the term of the ninth session of the Supervisory Committee.

The biographical details of the Supervisor candidate as at the Latest Practicable Date are set out in Appendix VIII to this circular.

16. Renewed and Additional Guarantee Quota

A special resolution will be proposed at the AGM to pass the Renewed and Additional Guarantee Quota. The full text of the Renewed and Additional Guarantee Quota proposed to be passed is set out in Appendix IX to this circular.

17. Grant of General Mandate to Issue A Shares and/or H Shares

In order to seize the market opportunities and to ensure the flexibility of issuing new shares, a special resolution will be proposed at the AGM to approve the granting of an unconditional general mandate to the Board to exercise the power of the Company to issue, allot and deal with additional A Shares and H Shares, subject to the market condition and the needs of the Company, and to make or grant offers and/or agreements in respect thereof, provided that the number of the Shares involved shall not exceed 20% of the respective total number of the A Shares and H Shares in issue as at the date of passing this resolution at the AGM of the Company.

Under the Hong Kong Listing Rules, the proposed Grant of General Mandate to Issue A Shares and/or H Shares is subject to the approval of the Shareholders by special resolution at the AGM.

Further details of the resolution proposed to be passed with respect to the grant of General Mandate to Issue A Shares and/or H Shares are set out in Appendix X to this circular.

LETTER FROM THE BOARD

18. Grant of General Mandate to Repurchase H Shares

The Company Law provides that a joint stock limited company incorporated in the PRC shall not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) merging with another entity holding its shares; (c) utilizing its shares for the employee share ownership scheme or equity incentive scheme; (d) shareholders requiring the company to acquire their shares for the reason of objecting to the resolutions at the general meeting concerning the merger or division of the company; (e) a listed company utilizing its shares for conversion of corporate bonds which are convertible into the shares; or (f) a listed company taking necessary measures to preserve the value of the company and the interests of its shareholders. The Articles of Association provide that, subject to the approval of relevant regulatory authorities and in compliance with the Articles of Association, the Company shall only repurchase its Shares for the abovementioned purposes. In accordance with the Hong Kong Listing Rules, H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

The Hong Kong Listing Rules permit shareholders of a joint stock limited company incorporated in the PRC to grant a general mandate to its directors to repurchase H shares of such company listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of special resolution passed by shareholders in general meeting and by shareholders of A Shares and H Shares respectively at the class meetings. As H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approvals of SAFE and other relevant competent authorities are also required.

In order to preserve the value of the Company and the interests of its Shareholders and to afford the Company the flexibility to repurchase H Shares as appropriate, pursuant to the Company Law, the Hong Kong Listing Rules, the Takeovers Code and other laws and regulations and regulatory documents as well as the requirements under the Articles of Association, a special resolution will be proposed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting in relation to the grant of the general mandate for the Board to exercise the power of the Company to repurchase H Shares. Particulars of the mandate are as follows:

- (1) Subject to sub-paragraph (2) below, granting of a general mandate to the Board, in compliance with all applicable laws and regulations (as amended from time to time) of the PRC government or securities regulatory authorities, the Hong Kong Stock Exchange or any other government or regulatory authority, to exercise all power of the Company to repurchase H Shares issued by the Company in order to preserve the value of the Company and the interests of its Shareholders on terms that it deems appropriate during the Relevant Period (as defined below).

LETTER FROM THE BOARD

- (2) Subject to obtaining the approval for sub-paragraph (1) above, the total number of H Shares to be repurchased under the H Share Repurchase Mandate during the Relevant Period shall not exceed 10% of the total issued H Shares on the date the resolution is considered and approved at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.
- (3) The approval of the above sub-paragraph (1) shall be subject to the satisfaction of the following:
 - a. the special resolution with the same terms as listed herein is passed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting;
 - b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.
- (4) Amending the relevant provisions in the Articles of Association based on actual H Share repurchase, cancellation and decrease of the Company's registered capital; notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.
- (5) Other matters in relation to the repurchase of H Shares.

For the purpose of this paragraph 18, the "Relevant Period" refers to the period commencing from the considering and passing of the resolution in relation to the grant of general mandate to repurchase H Shares at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of a special resolution at a general meeting, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this paragraph 18, the "Repurchase Period" for repurchases under the H Share Repurchase Mandate during the Relevant Period refers to the specific period during which the Board repurchases H Shares pursuant to the H Share Repurchase Mandate.

An explanatory statement required by the Hong Kong Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandates is set out in Appendix XI to this circular.

LETTER FROM THE BOARD

19. Grant of General Mandate to Repurchase A Shares

The Company Law provides that a joint stock limited company incorporated in the PRC shall not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) merging with another entity holding its shares; (c) utilizing its shares for the employee share ownership scheme or equity incentive scheme; (d) shareholders requiring the company to acquire their shares for the reason of objecting to the resolutions at the general meeting concerning the merger or division of the company; (e) a listed company utilizing its shares for conversion of corporate bonds which are convertible into the shares; or (f) a listed company taking necessary measures to preserve the value of the company and the interests of its shareholders. The Articles of Association provide that, subject to the approval of relevant regulatory authorities and in compliance with the Articles of Association, the Company shall only repurchase its Shares for the abovementioned purposes.

In accordance with the relevant requirements of the Hong Kong Listing Rules, a general mandate can be granted by shareholders of a listed issuer incorporated in the PRC to the directors, enabling them to devise a relevant plan for the repurchase of A Shares, and the relevant A Shares repurchased may be treated as treasury shares in accordance with the relevant PRC law and regulation and the Articles of Association. Such mandate shall be passed by Shareholders at the general meeting, and holders of A Shares and H Shares, respectively, at the relevant class meetings as special resolution.

In order to adapt to market changes and actual needs, and increase the flexibility to repurchase A Shares by way of centralized bidding under specific circumstances, subject to the Company Law, the Rules of Listed Companies' Repurchase of Shares (《上市公司股份回購規則》) of CSRC, the Detailed Rules for Implementation of the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 7 — Repurchase of Shares (《上市公司自律監管指引第7號—回購股份》), the SSE Listing Rules, the Takeovers Codes and other laws, regulations and regulatory documents as well as the requirements under the Articles of Association, a special resolution will be proposed at the AGM, the A Shareholders Class Meeting and H Shareholders Class Meeting in relation to the grant of the general mandate for the Board to exercise the power of the Company to repurchase A Shares, and for the Board to formulate and implement the A Share repurchase scheme according to such mandate and the Articles of Association. Particulars of the mandate are as follows:

- (1) Subject to sub-paragraphs (2) and (3) below, granting of a general mandate to the Board to repurchase A Shares by way of centralized bidding on terms that it deems appropriate during the Relevant Period (as defined below), including but not limited to the Board, subject to relevant laws and regulations (as amended from time to time), formulating, modifying or terminating A Share repurchase scheme and handling all related matters with full authority. The Board shall have the right to authorize its authorized persons to handle all related matters according to the A Share repurchase scheme considered and approved by the Board with full authority. Such scheme shall be in compliance with all applicable laws and regulations and

LETTER FROM THE BOARD

requirements under the Hong Kong Listing Rules (as amended from time to time), and shall be subject to the consideration and approval at the Board meeting attended by more than two-thirds of the Directors.

- (2) Subject to the approval under sub-paragraph (1) above, the Company may repurchase A Shares only under any of the following circumstances:
- a. the Shares shall be used for the employee share ownership scheme or equity incentive scheme;
 - b. the Shares shall be used for conversion of corporate bonds which are convertible into shares issued by the Company;
 - c. necessary to preserve the value of the Company and the interests of its Shareholders.

of which, sub-paragraph (2)c above shall be subject to the satisfaction of one of the following conditions:

- (i) the closing price of the A Shares of the Company shall be lower than the net asset per share of the latest financial period;
 - (ii) the cumulative declines in the closing price of the A Shares for 20 consecutive trading days reach 30%;
 - (iii) other conditions set out by the CSRC.
- (3) Subject to obtaining the approval for sub-paragraph (1) above, the total number of A Shares repurchased under the A Share Repurchase Mandate during the Relevant Period shall not exceed 10% of the total issued A Shares on the date this resolution is considered and approved at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.
- (4) The approval of the above sub-paragraph (1) shall be subject to the satisfaction of the following:
- a. the special resolution with the same terms as listed herein is passed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting;
 - b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.

LETTER FROM THE BOARD

- (5) The A Share repurchase scheme formulated by the Board under the general mandate to repurchase A Shares under sub-paragraph (1) above shall include, among others, the Repurchase Period (as defined below), the purpose, method, range of price, amount, capital source and repurchase amount.
- (6) Determining the implementation or termination of A Share repurchase scheme (if any) with consideration of the Company's actual operations, the performance of stock price and other factors.
- (7) Setting up the securities account for repurchase or other relevant securities accounts upon the completion of relevant procedures.
- (8) Handling the cancellation of A Shares not repurchased during the period stipulated by relevant laws and regulations (as amended from time to time) under the repurchase scheme according to the implementation of A Share repurchase scheme formulated according to the A Share Repurchase Mandate in sub-paragraph (1) above, including amending relevant provisions in the Articles of Association, notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.
- (9) Other matters in relation to the repurchase of A Shares, except the power to be exercised by the general meeting as specified by laws, regulations and regulatory documents.

For the purpose of this paragraph 19, the "Relevant Period" refers to the period commencing from the considering and passing of the resolution in relation to the grant of A Share Repurchase Mandate at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of a special resolution at a general meeting, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this paragraph 19, the "Repurchase Period" refers to the specific period during which the Board repurchases A Shares under the A share repurchase scheme formulated pursuant to the A Share Repurchase Mandate.

An explanatory statement required by the Hong Kong Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandates is set out in Appendix XI to this circular.

LETTER FROM THE BOARD

III. AGM AND H SHAREHOLDERS CLASS MEETING

The AGM and the H Shareholders Class Meeting will be held at Sky Fortune Boutique Hotel Shanghai, No. 358 Hong Xu Road, Shanghai, the PRC at 1:00 p.m. on Wednesday, 28 June 2023. Notices convening the AGM and the H Shareholders Class Meeting are respectively set out on pages AGM-1 to HCM-5 of this circular, and the forms of proxy for the AGM and the H Shareholders Class Meeting are enclosed therewith and also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.fosunpharma.com>).

IV. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of H Shareholders to attend and vote at the aforesaid AGM and H Shareholders Class Meeting, the register of members of the Company for H Shares will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023, both days inclusive. In order to qualify for attending and voting at the AGM, unregistered H Shareholders should ensure that all transfer documents for H Shares together with the relevant share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 21 June 2023.

V. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions put forward at the AGM and the H Shareholders Class Meeting will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company in accordance with Rule 13.39(5) of the Hong Kong Listing Rules after the AGM and H Shareholders Class Meeting.

VI. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

VII. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that all resolutions set out in the notices of AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolutions proposed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

VIII. ADDITIONAL INFORMATION

Your attention is drawn to other sections of and the appendices to this circular.

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

* *for identification purposes only*

Principal work of the Board for the year ended 31 December 2022^(Note) is set out as follows:

I. OVERALL OPERATIONS OF THE GROUP FOR THE REPORTING PERIOD

During the Reporting Period, adhering to its business philosophy of “Innovation for Good Health”, the Group continued to promote innovation and transformation, fully accelerated international layout, enhanced business focus by product lines, and promoted the improvement in integrated operation and efficiency under business units, thereby achieving steady development in business performance.

By virtue of the revenue contribution from new products and sub-new products, as well as the effective control over marketing expenses, the Group’s revenue and recurring income continued to grow steadily during the Reporting Period, realizing a revenue of RMB43,952 million, representing a year-on-year increase of 12.66%. The revenue from new products and sub-new products, including Han Li Kang, Han Qu You, Comirnaty, Jie Bei An, Su Ke Xin and Han Si Zhuang, accounted for over 30% of the revenue from the pharmaceutical manufacturing segment. The revenue structure continued to be optimized. Net profit after deducting extraordinary gain or loss attributable to shareholders of the listed company amounted to RMB3,873 million, representing a year-on-year increase of 18.17%. Net cash flow generated from operating activities amounted to RMB4,218 million, representing a year-on-year increase of 7.10%. During the Reporting Period, the recorded extraordinary gain or loss amounted to RMB–142 million, representing a year-on-year decrease of RMB1.593 billion, which was mainly due to the changes in fair value of financial assets, such as the BNTX shares, held by the Group, among which, the net impact of fair value change and the share disposal of BNTX shares during the year amounting to approximately RMB–1 billion. Due to the year-on-year decrease in extraordinary gain or loss, the Group’s net profit attributable to shareholders of the listed company amounted to RMB3,731 million during the Reporting Period, representing a year-on-year decrease of 21.10%.

During the Reporting Period, the Group continued to increase its R&D expenditures, which amounted to RMB5,885 million for the year, representing a year-on-year increase of 18.22%, among which the R&D expenses amounted to RMB4,302 million, representing a year-on-year increase of RMB465 million or 12.12%.

Note: The disclosure of financial information in the Board Report 2022 is based on the China Accounting Standards for Business Enterprises.

II. THE DETAILS OF DAILY WORK CARRIED BY THE BOARD DURING THE REPORTING PERIOD

In 2022, the eighth and ninth sessions of the Board and its committees carried out the work diligently, lawfully and efficiently in accordance with the Articles of Association, the Board Rules of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and relevant provisions of implementation rules of each Board committee of the Company:

(I) Earnestly fulfilling the duties of the Board and ensuring the Board's operation in compliance with the laws and regulations

During the Reporting Period, the Board actively fulfilled the responsibilities of Directors in strict compliance with the relevant laws and regulations including the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies issued by CSRC, the listing rules of the stock exchanges where the Company's shares were listed, as well as its internal rules and management systems such as the Articles of Association. The Board focused on aspects including the Group's development strategies, business operation, foreign investment, related party/connected transactions, internal control, capital planning and capital operation, corporate governance and information disclosure of the Company, to ensure the steady development of the Group, and to further refine the corporate governance structure. During the Reporting Period, the eighth session of the Board held 12 meetings and the ninth session of the Board held 21 meetings. The convening and approving procedures of the previous meetings were in compliance with the relevant laws, regulations, rules and the Articles of Association.

(II) Giving full play to the advantage of the expertise and functions of the Board committees

During the Reporting Period, the Board committees under the eighth and ninth sessions of the Board fully took advantage of the expertise of independent non-executive Directors and proactively provided recommendations for decision-making to the Board so as to further improve the decision-making efficiency of the Board. Details of the work carried out by such committees are as follows:

1. During the Reporting Period, the strategic committee of the ninth session held 1 meeting, during which it reviewed the Group's medium-and long-term strategic plans for 2022–2032.
2. During the Reporting Period, the audit committee of the eighth session of the Board held 9 meetings and the audit committee of the ninth session of the Board held 9 meetings, during which they reviewed the periodic reports, audit plan, implementation of internal control and material and daily related party/connected transactions; provided the Group with recommendations for improving the internal control system.

3. During the Reporting Period, the nomination committee of the eighth session of the Board held 2 meetings and the nomination committee of the ninth session of the Board held 3 meetings, during which they discussed and reviewed the selection and qualifications of the candidates for director and senior management and other matters.
4. During the Reporting Period, the remuneration and appraisal committee of the eighth session of the Board held 2 meetings and the remuneration and appraisal committee of the ninth session of the Board held 2 meetings, during which they reviewed the matters in relation to the share incentive scheme and employee share ownership scheme, remuneration and appraisal plan for the Directors/senior management of the Company and the implementation of last year.
5. During the Reporting Period, the ESG committee of the eighth session of the Board held 1 meeting and the ESG committee of the ninth session of the Board held 1 meeting, during which they reviewed the 2021 ESG report and the 2022–2023 ESG plan of the Company.

(III) Completing the change of session of the Board in compliance with laws and regulations

During the Reporting Period, the term of the eighth session of the Board expired. Pursuant to the laws and regulations, the Articles of Association and other regulations and procedures of the Company's governance documents, and after the review and evaluation by the nomination committee and the consideration of the Board on the nominations, the ninth session of the Board was elected at the annual general meeting held on 1 June 2022. On the same day, the Board elected the chairman, co-chairman, vice-chairman and members of the Board committees of the ninth session of the Board.

(IV) Convening of general meetings

During the Reporting Period, the Board also convened 7 general meetings (including 1 annual general meeting, 2 extraordinary general meetings, 2 A Shareholders' class meeting and 2 H Shareholders' class meeting) pursuant to the Articles of Association and the actual needs.

III. THE CORPORATE GOVERNANCE DURING THE REPORTING PERIOD

Pursuant to the provisions and requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies of CSRC, the Corporate Governance Code as contained in Appendix 14 to the Hong Kong Listing Rules and other relevant laws and regulations, the Company continuously improved corporate governance structure and strengthened the internal control of the Group in 2022. Under the Board, there are strategic committee, audit committee, nomination committee, remuneration and appraisal committee, and ESG committee which strengthened the structure and decision-making professionalism of the Board.

During the past year, with the joint efforts of the Board, the management and all our staff, the Group managed to make significant progress in improving operational results and governance structures. In 2023, the Board will continue to operate in a standardized manner and work diligently to fulfill its duties strictly in accordance with provisions and requirements of relevant laws and regulations as well as the Articles of Association and to facilitate the continuous improvement of the competitiveness of the Company, thereby paying back the investors with better operational results.

Principal work of the Supervisory Committee for the year ended 31 December 2022 is set out as follows:

I. THE DAILY OPERATION OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD IS AS FOLLOWS:

In 2022, the eighth and ninth sessions of the Supervisory Committee of the Company attended the Board meetings, and held 8 Supervisory Committee's meetings in accordance with the Articles of Association and the Rules of Procedures for the Supervisory Committee's Meeting of the Company, and their details are as follows:

1. On 22 March 2022, the Company convened the first meeting of the eighth session of the Supervisory Committee in 2022 (a regular meeting) to review and approve the 2021 Annual Report of the Group, the Work Report of the Supervisory Committee for 2021, the 2021 Internal Control Assessment Report, the Special Report of the Placement and Actual Use of the Proceeds in 2021, and the resolution in relation to the provision for asset impairment in 2021.
2. On 7 April 2022, the Company convened the second meeting of the eighth session of the Supervisory Committee in 2022 (a special meeting) to review and approve the resolution in relation to the nominees for members of the ninth session of the Supervisory Committee of the Company.
3. On 26 April 2022, the Company convened the third meeting of the eighth session of the Supervisory Committee in 2022 (a regular meeting) to review and approve the 2022 First Quarterly Report of the Group.
4. On 1 June 2022, the Company convened the first meeting of the ninth session of the Supervisory Committee in 2022 (a special meeting) to elect the chairman of the ninth session of the Supervisory Committee of the Company.
5. On 1 August 2022, the Company convened the second meeting of the ninth session of the Supervisory Committee in 2022 (a special meeting) to review and approve the resolutions in relation to the Use of Proceeds to Replace the Self-raised Funds Invested into the Projects Funded by Proceeds and the Temporary Replenishment of Working Capital with Some of the Idle Proceeds.
6. On 29 August 2022, the Company convened the third meeting of the ninth session of the Supervisory Committee in 2022 (a regular meeting) to review and approve the 2022 Interim Report of the Group, the Special Report of the Placement and Actual Use of the Proceeds in the first half of 2022 of the Group, the 2022 Interim Internal Control Assessment Report, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2022 Restricted A Shares Incentive Scheme (Draft) and its abstract, the Management Measures for the Appraisal System of the 2022 Restricted A Shares Incentive Scheme of Shanghai Fosun

Pharmaceutical (Group) Co., Ltd., the Participants List of the First Grant of the 2022 Restricted A Shares Incentive Scheme and Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2022 H Share Employee Share Ownership Scheme (Draft) and its abstract.

7. On 28 October 2022, the Company convened the fourth meeting of the ninth session of the Supervisory Committee in 2022 (a regular meeting) to review and approve the 2022 Third Quarterly Report of the Group.
8. On 1 December 2022, the Company convened the fifth meeting of the ninth session of the Supervisory Committee in 2022 (a special meeting) to review and approve the resolutions in relation to the Adjustment to the Participants List of the First Grant of the 2022 Restricted A Shares Incentive Scheme and the Number of Restricted A Shares Involved, and the First Grant of the 2022 Restricted A Shares Incentive Scheme.

II. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE LAWFUL OPERATION OF THE COMPANY

The Supervisory Committee is of the view that, during the Reporting Period, the operation of the Company has been consistent with the provisions of the Company Law, the Securities Law and the Articles of Association; that the decision-making process of the Company has been in compliance with the laws, and the Company had established a relatively comprehensive internal control system; and it is not aware of any violation of laws, regulations or the Articles of Association of the Directors and senior management in discharging the duties of Company, or any act that is prejudicial to the interests of the Company.

III. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE FINANCIAL POSITION OF THE GROUP

The Supervisory Committee agreed with the audit opinion issued by Ernst & Young Hua Ming LLP and Ernst & Young on the 2022 annual financial report of the Group.

IV. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE ACQUISITIONS OR DISPOSALS OF ASSETS BY THE GROUP

The Supervisory Committee is of the view that the Group acquired and disposed of assets at reasonable prices, and it was not aware of any insider dealing or any act that is prejudicial to the interests of Shareholders or resulting in any loss of assets of the Group during the Reporting Period.

V. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON RELATED PARTY/CONNECTED TRANSACTIONS OF THE GROUP

The Supervisory Committee is of the view that the related party/connected transactions of the Group were fair and were not prejudicial to the interests of the Group during the Reporting Period.

VI. THE REVIEW OF THE INTERNAL CONTROL ASSESSMENT REPORT BY THE SUPERVISORY COMMITTEE

The Supervisory Committee has reviewed the 2022 Internal Control Assessment Report, and considers that the Group has established an appropriate internal control system in all material respects. During the Reporting Period, the internal control system has operated efficiently, ensuring the implementation of the internal control measures and the normal conduct of production and operation.

I. CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

During the Reporting Period, the revenue of the Group amounted to RMB43.952 billion, representing a year-on-year increase of 12.66%, among which revenue from the pharmaceutical manufacturing segment amounted to RMB30.812 billion, representing a year-on-year increase of 6.60%; revenue from the medical devices and medical diagnosis segment amounted to RMB6.949 billion, representing a year-on-year increase of 17.03%; and revenue from the healthcare services segment amounted to RMB6.080 billion, representing a year-on-year increase of 47.64%.

Major accounting data and financial indicators of the Group for 2022 were as follows:

Unit: Yuan Currency: RMB

Major accounting data	2022	2021 (Restated) ^(Note 3)	Year on year
			increase/decrease (%)
Revenue ^(Note 1)	43,951,546,895.23	39,011,184,281.58	12.66
Total profit	4,574,381,584.81	6,042,670,590.29	-24.30
Net profit attributable to shareholders of the listed company ^(Note 2)	3,730,804,582.82	4,728,710,527.48	-21.10
Net profit attributable to shareholders of the listed company, after deducting extraordinary gain and loss ^(Note 1)	3,872,759,038.16	3,277,296,375.56	18.17
Net cash flow from operating activities	4,217,570,892.87	3,937,814,791.41	7.10
Major accounting data	As at the end of 2022	As at the end of 2021 (Restated) ^(Note 3)	Year on year increase/decrease (%)
Total assets	107,163,907,232.34	93,306,321,826.77	14.85
Owners' equity attributable to shareholders of the listed company	44,582,457,512.55	39,195,558,264.80	13.74

Currency: RMB

Major financial indicators	2022	2021 (Restated) ^(Note 3)	Year on year
			increase/decrease (%)
Basic earnings per share (Yuan/share) ^(Note 2)	1.43	1.85	-22.70
Diluted earnings per share (Yuan/share) ^(Note 2)	1.43	1.85	-22.70
Basic earnings per share, after deducting extraordinary gain and loss (Yuan/share)	1.49	1.28	16.41
Return on weighted average net assets (%)	9.04	12.37	Decreased by 3.33 percentage points
Return on weighted average net assets, after deducting extraordinary gain and loss (%)	9.39	8.58	Increased by 0.81 percentage point
Net cash flow per share from operating activities (Yuan/share) ^(Note 4)	1.62	1.54	5.19
	As at	As at	Year on year
Major financial indicators	the end of 2022	the end of 2021 (Restated) ^(Note 3)	increase/decrease (%)
Net asset per share attributable to shareholders of the listed company (Yuan/share) ^(Note 4)	17.10	15.29	11.84

Note 1: By virtue of the revenue contribution from new products and sub-new products, as well as the effective control over marketing expenses, the Group's revenue and recurring income continued to grow steadily during the Reporting Period, realizing net profit after deducting extraordinary gain or loss attributable to shareholders of the listed company amounting to RMB3,873 million, representing a year-on-year increase of 18.17%.

Note 2: During the Reporting Period, the decreases in net profit attributable to shareholders of the listed company's basic earnings per share, diluted earnings per share as compared year-on-year were mainly due to the year-on-year decrease in extraordinary gain or loss as a result of the loss on changes in fair value of financial assets, among which, due to factors such as the fluctuation of market, the net impact of fair value change and the share disposal of BNTX shares, held by the Group, amounting to approximately RMB-1 billion.

Note 3: During the Reporting Period, due to the business consolidations for enterprises under common control, which are Shanghai Fuyun Health Technology Co., Ltd.* (上海復雲健康科技有限公司) and Shanghai Xingchuang Health Technology Co., Ltd.* (上海星創健康科技有限公司), the Group made retrospective adjustments to the comparative financial information for 2022 and prior years in accordance with the PRC Accounting Standards for Business Enterprises.

Note 4: Calculated by weighted average number of shares.

II. HONG KONG FINANCIAL REPORTING STANDARD

The Company, being a company listed in both the A-share and H-share markets, is required to disclose its annual reports prepared in accordance with the China Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards, respectively. The difference in the net profit for 2022 stated in the consolidated financial statements as prepared by the Company in accordance with the China Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards was RMB6,170,296.99. The difference between the net assets as at 31 December 2022 was RMB50,716,730.62, resulting from the differences in the accounting treatment in the cost of the right of circulation for split shares under the China Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards^(Note 5). In addition, the presentation items and method of presentation in the financial statements are different, specifics of which are as follows:

Unit: Yuan Currency: RMB

Financial Position	China Accounting Standards for Business Enterprises		Hong Kong Financial Reporting Standards	
	As at the end of 2022	Year-on-year change (%)	As at the end of 2022	Year-on-year change (%)
Total assets	107,163,907,232.34	14.85	107,113,190,501.72	14.87
Total liabilities	53,054,997,618.99	18.09	53,054,997,618.99	18.09
Net assets	54,108,909,613.35	11.84	54,058,192,882.73	11.87
Equity				
attributable to shareholders of the listed company	44,582,457,512.55	13.74	44,531,740,781.93	13.78
		Increased by		Increased by
Debt-to-asset ratio (%)	49.51	1.36 percentage points	49.53	1.35 percentage points
Return on weighted average net assets (%)	9.04	3.33 Decreased by percentage points	9.07	3.32 Decreased by percentage points

Note 5: The cost of the right of circulation for split shares referred to above is essentially the consideration offered by owners of non-tradable shares to owners of tradable shares of companies listed in China without compensation in order to obtain the right of circulation. Such consideration is recognized as assets under the China Accounting Standards for Business Enterprises but is directly included in the cost when incurred under the Hong Kong Financial Reporting Standards and therefore a difference is resulted between the financial statements as prepared in accordance with the above standards.

Unit: Yuan Currency: RMB

Operating results	China Accounting Standards for Business Enterprises		Hong Kong Financial Reporting Standards	
	2022	Year-on-year change (%)	2022	Year-on-year change (%)
Revenue	43,951,546,895.23	12.66	43,811,384,554.94	12.73
Total profit	4,574,381,584.81	-24.30	4,580,551,881.80	-24.20
Net profit	3,947,464,120.11	-20.67	3,953,634,417.10	-20.55
Net profit attributable to shareholders of the listed company	3,730,804,582.82	-21.10	3,736,974,879.81	-20.97
Net cash flow from operating activities	4,217,570,892.87	7.10	4,217,570,892.87	7.10
Basic earnings per share (Yuan/share)	1.43	-22.70	1.43	-22.70
Diluted earnings per share (Yuan/share)	1.43	-22.70	1.43	-22.70

Details of the appraisal results and remuneration of Directors of the Company for 2022 are set out as follows:

I. BASIC PRINCIPLES GOVERNING THE APPRAISAL AND REMUNERATION OF DIRECTORS

(I) Basic Principles Governing the Appraisal and Remuneration of Directors:

1. Executive Directors concurrently acting as senior management of the Company do not receive remuneration from the Company for their duties as an executive Director. Instead, they receive remuneration from the Company based on their concurrent duties as senior management. The Board will assess and determine their remuneration. Salaries of executive Directors (who are not also senior management of the Company) are determined at the general meeting primarily based on the economic benefits of the enterprise. Moreover, it will be determined according to their job responsibilities and actual performance with reference to a combination of factors, including the level of remuneration paid in external sectors.
2. The allowance standard for independent non-executive Directors is determined by the Shareholders at the general meeting. In 2022, the amount of allowance standard for independent non-executive Directors was RMB300,000/year (before tax).

II. REMUNERATION/ALLOWANCES PAID TO DIRECTORS IN 2022

As at 31 December 2022, there were altogether twelve Directors on the Board. In 2022, the total amount of remuneration or allowances received by the Directors was RMB49.4411 million and details are set out as follows:

Unit: RMB (in ten thousand)

Name	Position	Remuneration or allowances received from the Group in 2022 (before tax)	Remarks
Wu Yifang ^(Note)	Executive Director and Chairman	1,255.10	
Wang Kexin ^(Note)	Executive Director and Co-Chairman	1,935.28	
Guan Xiaohui ^(Note)	Executive Director and Vice Chairman	854.59	
Wen Deyong ^(Note)	Executive Director and Chief Executive Officer	779.14	
Chen Qiyu	Non-executive Director	0.00	Chen Qiyu did not receive remuneration from the Company during the Reporting Period.
Yao Fang	Non-executive Director	0.00	Yao Fang did not receive remuneration from the Company during the Reporting Period.
Xu Xiaoliang	Non-executive Director	0.00	Xu Xiaoliang did not receive remuneration from the Company during the Reporting Period.
Pan Donghui	Non-executive Director	0.00	Pan Donghui did not receive remuneration from the Company during the Reporting Period.
Li Ling	Independent non- executive Director	30.00	
Tang Guliang	Independent non- executive Director	30.00	
Wang Quandi	Independent non- executive Director	30.00	
Yu Tze Shan Hailson	Independent non- executive Director	30.00	
Total		<u>4,944.11</u>	

Note: The remuneration received from the Group in 2022 includes ① the fixed monthly salaries in 2022 and the year-end bonus for 2021; and ② the appraisal bonus for the period and deferred payment of previous annual appraisal bonuses (if any).

Details of the resolution in relation to the additional entrusted loans/borrowings quota of the Group are set out as follows:

I. SUMMARY OF TRANSACTIONS

Based on the business plan of the Group for 2023 and its funding needs, it is proposed to approve the quota for renewed and additional entrusted loans/borrowings to the Group since the passing of the resolution at the AGM in an equivalent amount not exceeding RMB8,500 million (including those between the Company and its subsidiaries and those between the subsidiaries (note: subsidiaries include wholly-owned subsidiaries and non-wholly owned subsidiaries, including subsidiaries with a debt-to-asset ratio of more than 70%), similarly hereinafter). The proposal will be submitted to the general meeting to authorize the management to determine the actual borrowing rate within a range of no less than 2% per annum (applicable to RMB) or no less than 1% per annum (applicable to foreign currency) and not less than the financing cost of the lender while the term of the entrusted loans/borrowings is subject to the agreement.

In addition, it is proposed to authorize the management and/or its delegates to determine and make specific adjustments to the entrusted loans/borrowings and to execute relevant legal documents within the approved renewed and additional entrusted loans/borrowings quota referred to above in accordance with the actual business needs.

With regard to the entrusted loans/borrowings within the entrusted loans/borrowings quota subject to renewal and addition, provided that the borrower serves as a non-wholly-owned subsidiary of the Company, and the Group provides the full amount of entrusted loans/borrowings independently, counter guarantee shall be provided by other shareholders of the borrower or the borrower itself.

Such entrusted loans/borrowings quota subject to renewal and addition shall be effective from the passing of this resolution at the AGM to the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.

II. IMPACT OF THE ENTRUSTED LOANS/BORROWINGS ON THE GROUP IN TERMS OF CAPITAL INCOME AND PROFIT, ETC

All of the entrusted loans/borrowings within the entrusted loans/borrowings quota subject to renewal and addition are made between Fosun Pharma and its subsidiaries and between the subsidiaries, and therefore the aforesaid entrusted loans/borrowings have no impact on the profit of the Group in the consolidated financial statements.

III. POTENTIAL RISK OF THE ENTRUSTED LOANS/BORROWINGS AND COUNTERMEASURES

The quota for renewed and additional entrusted loans/borrowings can only be used between Fosun Pharma and its subsidiaries and between the subsidiaries, therefore the risk is relatively controllable.

Details of the aggregate credit applications of the Company are set out as follows:

Based on the needs of the operation, it is proposed to the general meeting to approve the new credit application amount from the Company to banks and other financial institutions since the passing of the resolution at the AGM in an aggregate amount of up to the equivalent of RMB38,500 million (including new credit and adjustment to the original amount). For specific details of the credit applications, the approval from the banks and other financial institutions will prevail. In addition, it is proposed that the management of the Company and/or its delegates be authorized to determine and adjust specific matters, and to sign relevant legal documents within the approved credit quota referred to above (including such quota) based on the actual operating needs.

The credit applications shall be effective from the passing of the resolution at the AGM to the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.

The expected amounts of the credit applications are as follows (subject to the actual grant):

Unit: RMB (in ten thousand)

Name of Bank/Financial Institutions	Amount of Credit	Type of Credit	Credit Term (not more than)
Shanghai Branch of Bank of Beijing Co., Ltd.	200,000	Composite Credit	6 years
Shanghai Branch of KBC Bank N.V.	EUR20 million (equivalent to approximately RMB148.46 million ^(Note 1))	Composite Credit	3 years
Shanghai Branch of China Development Bank	100,000	Composite Credit	10 years
Shanghai Branch of Citibank (China) Co., Ltd.	US\$130 million (equivalent to approximately RMB905.40 million ^(Note 1))	Composite Credit	3 years
OCBC Wing Hang Bank (China) Limited	40,000	Composite Credit	3 years
Shanghai Branch of HSBC Bank (China) Co., Ltd.	155,000	Composite Credit	3 years
Shanghai Jing'an Sub-branch of Bank of Communications Co., Ltd.	60,000	Composite Credit	3 years
Shanghai Branch of Bank of Ningbo Co., Ltd.	180,000	Composite Credit	3 years
Changning Branch of Shanghai Pudong Development Bank	187,500	Composite Credit	3 years
Puxi Sub-branch of Bank of Shanghai Co., Ltd.	150,000	Composite Credit	3 years

Name of Bank/Financial Institutions	Amount of Credit	Type of Credit	Credit Term (not more than)
Shanghai Branch of Ping An Bank Co., Ltd.	50,000	Composite Credit	3 years
Shanghai Branch of Standard Chartered PLC	70,000	Composite Credit	3 years
Shanghai Branch of China Construction Bank Co., Ltd.	100,000	Composite Credit	3 years
Shanghai Branch of China Everbright Bank Co., Ltd.	110,000	Composite Credit	3 years
Shanghai City Branch of Industrial and Commercial Bank of China Co., Ltd.	155,000	Composite Credit	3 years
The Export-Import Bank of China	405,000	Composite Credit	10 years
Shanghai City Branch of Agricultural Bank of China Co., Ltd.	100,000	Composite Credit	3 years
Shanghai Huangpu Sub-branch of Bank of China Co., Ltd.	100,000	Composite Credit	3 years
Shanghai Branch of China Merchants Bank Co., Ltd.	200,000	Composite Credit	3 years
Shanghai Branch of China CITIC Bank Co., Ltd.	150,000	Composite Credit	3 years
Shanghai Rural Commercial Bank Co., Ltd.	40,000	Composite Credit	3 years
Shanghai Branch of MUFG Bank (China), Ltd.	50,000	Composite Credit	3 years
Shanghai Branch of China Minsheng Banking Corp., Ltd.	100,000	Composite Credit	3 years
Industrial Bank Co., Ltd.	60,000	Composite Credit	3 years
China Bohai Bank Co., Ltd. Shanghai Pilot Free Trade Zone Branch	60,000	Composite Credit	3 years
Shanghai Branch of Korea Development Bank	60,000	Composite Credit	3 years
BNP Paribas (China) Limited	80,000	Composite Credit	3 years
Shanghai Branch of Shang Branch of Sumitomo Mitsui Trust & Banking Co., Ltd.	20,000	Composite Credit	3 years
Natixis Shanghai Branch	EUR50 million (equivalent to approximately RMB371.15 million ^(Note 1))	Composite Credit	3 years
Mizuho Bank (China), Ltd	US\$60 million (equivalent to approximately RMB417.88 million ^(Note 1))	Composite Credit	3 years
The above and other banks or financial institutions	683,211 ^(Note 2)	Composite Credit	10 years

Note 1: For statistics purposes, the amount has been converted at the middle price of RMB against USD and EUR published by the People's Bank of China as at 30 December 2022. The actual amount of credit is granted in USD and EUR.

Note 2: It refers to application of other amount of credit mandate by banks or financial institutions. For the convenience of presentation, the amount is shown at the quota of RMB38,500 million net of the total of the aforementioned credit calculated at the exchange rate of RMB on 30 December 2022.

The proposed amended Related Party Transaction Management System are as follows:

Chapter I General Provisions

Article 1 In order to regulate the related party transactions of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as the “Company”, “Fosun Pharma” or the “Listed Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), and to protect the legitimate rights and interests of the Company and all shareholders, this System was specially formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Administrative Measures for Information Disclosure of Listed Companies of the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “SSE Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “HKEx Listing Rules”) and other laws, regulations, rules, and normative documents, and the relevant provisions of the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 Related party transactions shall be conducted with legality, necessity, rationality and fairness, and maintaining the independence of the Listed Company, and shall not be used to adjust financial indicators and harm the interests of the Listed Company.

The parties to the transaction shall not conceal the related/connected relationship or take other means to evade the Company’s related party transaction review procedures and information disclosure obligations.

Article 3 The General Meeting of shareholders and the Board of Directors shall manage related party transactions in accordance with the regulations of the regulatory authorities of the places where the Company’s securities are listed and the Articles of Association.

The Audit Committee under the Board of Directors performs the duties of controlling and routine management of the Group’s related party transaction, reports to the Board of Directors, and is accountable to the Board of Directors.

The Board of Supervisors shall supervise related party transactions in accordance with the regulations of the regulatory authorities of the places where the Company’s securities are listed and the Articles of Association.

The routine affairs related to related party transactions are coordinated by the Office of the Secretary of the Board of Directors; other institutions implement the specific management work of related party transaction according to the division of responsibilities.

Chapter II Scope and Classification of Related Parties

Article 4 Related parties referred to in this System include:

- (i) Related parties as defined in the CSRC's Administrative Measures for Information Disclosure of Listed Companies, the SSE Listing Rules and supporting guidelines (hereinafter referred to as "related parties as defined by domestic securities regulators");
- (ii) Connected persons as defined in the HKEx Listing Rules (hereinafter referred to as "related parties as defined by overseas securities regulators").

Chapter III Reporting and Management of Related Parties

Article 5 Directors, supervisors, senior management, shareholders holding or controlling more than 5% of the shares or voting rights of the Company, actual controllers and persons acting in concert, as well as subsidiaries shall promptly report to the Company the list of relevant related parties and the description of the related relationship; if the reported matters change, the report shall be updated in a timely manner after the change.

Article 6 The above-mentioned natural persons, legal persons or other organizations with obligations of reporting shall, while reporting, guarantee to the Company in writing that the content of its report is true, accurate and complete, and promise that it shall be liable for compensation if the Listed Company suffers losses due to false reports or major omissions.

Article 7 The Audit Committee of the Board of Directors is responsible for confirming the related parties of the Company and reporting to the Board of Directors and the Board of Supervisors.

The Audit Committee of the Board of Directors shall promptly inform the relevant departments of the Company and its subsidiaries of the related parties it has confirmed.

Article 8 Departments and institutions related to the management of related party transactions shall keep the related party information they know confidential, and shall not use related party information for activities other than the management of related party transaction in violation of regulations.

Article 9 The Company and/or its subsidiaries should pay attention to collecting and verifying information related to the management of related party transactions such as information related to the counterparty's shareholders, actual controllers and equity investment.

In the routine operations of various departments and subsidiaries of the Company, if it is found that a natural person, legal person or other organisation meets the conditions of a related party but is not recognised as a related party, or it is found that a natural person, legal person or other organisation that has been confirmed as a related party no longer meets the conditions of a related party, it shall be reported to the Audit Committee of the Board of Directors in a timely manner.

Article 10 The Company shall fill in or update the list of related parties and related relationship information of the Company through the business management system of the website of the Shanghai Stock Exchange (hereinafter referred to as the “SSE”) in a timely manner.

Chapter IV Definition and Classification of Related Party Transactions

Article 11 The term “related party transactions” in this System refers to the transactions between the Company and/or its subsidiaries and the related parties as defined by domestic securities regulators and related parties as defined by overseas securities regulators and other connected transactions constituted under the provisions of the HKEx Listing Rules. Transactions with related parties as defined by overseas securities regulator and other connected transactions constituted under the provisions of the HKEx Listing Rules are hereinafter collectively referred to as “connected transactions as defined by overseas securities regulators”.

Article 12 If the related parties defined in the Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards fall within the scope of related parties specified in Chapter II of this System, then this System shall apply.

Related party transactions as defined in the Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards are related party transactions that should be disclosed in financial reports.

Article 13 Related party transactions with related parties as defined by domestic securities regulators are divided into related party transactions that should be disclosed in a timely manner, related party transactions that should be submitted to the Board of Directors for deliberation and disclosed in a timely manner, related party transactions that should be submitted to the General Meeting of shareholders for deliberation and disclosed in a timely manner, and other types of related party transactions.

Article 14 Connected transactions as defined by overseas securities regulators include one-off connected transactions and continuing connected transactions.

Continuing connected transactions refer to connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. These transactions are usually transactions in the ordinary and usual course of business of the Group.

Connected transactions as defined by overseas securities regulators are divided into:

- (i) Connected transactions that are exempt from the relevant shareholders' approval and all disclosure requirements (hereinafter referred to as "Fully Exempt Connected Transactions");
- (ii) Connected transactions that are exempt from the relevant shareholders' approval requirement but must comply with the relevant disclosure requirements (hereinafter referred to as "Partially Exempt Connected Transactions");
- (iii) Continuing connected transactions that are exempt from the relevant shareholders' approval, annual review and all disclosure requirements (hereinafter referred to as "Fully Exempt Continuing Connected Transactions");
- (iv) Continuing connected transactions that are exempt from the relevant shareholders' approval requirement but must comply with the annual review and relevant disclosure requirements (hereinafter referred to as "Partially Exempt Continuing Connected Transactions");

Continuing connected transactions that do not fall under items (iii) and (iv) above are hereinafter referred to as "Non-exempt Continuing Connected Transactions.

Chapter V Review and Disclosure of Related Party Transactions

Article 15 Related party transactions with related parties as defined by domestic securities regulators:

- (i) Related party transactions between the Company and/or its subsidiaries and related natural persons with a transaction amount (including debts and expenses assumed) of more than RMB300,000 (except for guarantees provided by the Group), and related party transactions between the Company and/or its subsidiaries and a related legal person or other organisation with a transaction amount (including debts and expenses assumed) of more than RMB3 million and accounting for more than 0.5% of the absolute value of the latest audited net assets of the Group (except for guarantees provided by the Group), shall be disclosed in a timely manner.
- (ii) Related party transactions between the Company and/or its subsidiaries and related parties with a transaction amount (including debts and expenses assumed) accounting for more than 1% of the absolute value of the latest audited net assets of the Group (except for guarantees provided by the Group), shall be submitted to the Board of Directors for consideration, and disclosed in a timely manner.

Related party transactions that shall be submitted to the Board of Directors for consideration and disclosed in a timely manner shall be reviewed and approved by the Audit Committee of the Board of Directors and then submitted to the Board of Directors for approval; before being reviewed by the Audit Committee of the Board of Directors and submitted to the Board of Directors for discussion, they shall be approved in writing by more than half of the independent non-executive directors; independent non-executive directors shall express written opinions on the fairness of related party transactions and the implementation of internal approval procedures.

Independent non-executive directors and the Audit Committee of the Board of Directors may engage independent financial advisors to issue reports as the basis for their judgements.

- (iii) Related party transactions between the Company and/or its subsidiaries and related parties with a transaction amount (including debts and expenses assumed) of more than RMB30 million and accounting for more than 5% of the absolute value of the latest audited net assets of the Group (except for guarantees provided by the Group), shall be submitted to the General Meeting of shareholders for consideration and disclosed in a timely manner.

For a major related party transaction that should be submitted to the General Meeting of shareholders for consideration, if the subject of the transaction is the equity of a company, the financial accounting report of the latest year and period audited by an accounting firm for the subject asset shall be disclosed. The audit opinion issued by the accounting firm shall be a standard unqualified opinion, and the audit deadline shall not be earlier than 6 months prior to the date of the shareholders' General Meeting for considering relevant transaction matters. If the subject of the transaction is assets other than the equity of a company, the evaluation report issued by the asset evaluation institution for the subject assets shall be disclosed. The evaluation base date shall not be earlier than one year prior to the date of the shareholders' General Meeting for considering relevant transaction matters. For the transaction subject involved in the related party transactions related to routine operations, no audit or evaluation is required.

If the Company and/or its subsidiaries purchase assets from related parties, which must be submitted to the General Meeting of shareholders for consideration according to regulations and the transaction price exceeds the book value of the transaction subject by over 100%, and if the counterparty fails to provide a profit guarantee, compensation commitment, or repurchase commitment for the transaction subject within a certain period of time, the Company shall explain the specific reasons, whether it has adopted relevant safeguard measures, and whether it is conducive to protecting the interests of the Listed Company and the legitimate rights and interests of small and medium shareholders.

If a related party transaction of the Company and/or its subsidiaries does not meet the standards for major related party transactions that should be submitted to the General Meeting of shareholders for consideration, however is voluntarily submitted to the General Meeting of shareholders for consideration according to the requirements of the principle of prudence, or in accordance with the Articles of Association and other regulations, the consideration procedures and disclosure obligations shall be performed in accordance with the provisions of this paragraph, and relevant audit or evaluation requirements shall apply.

- (iv) The Company and/or its subsidiaries shall not provide financial assistance to related parties, except for providing financial assistance to affiliated investee companies that are not controlled by the Company's controlling shareholder or actual controller in the case where other shareholders of such companies provide financial assistance with the same conditions in proportion to their capital contributions.

If the Company and/or its subsidiaries provide financial assistance to such affiliated investee companies, in addition to consideration and approval by more than half of all unrelated directors, it shall also be considered and approved by more than two-thirds of the unrelated directors present at the meeting of the Board of Directors, and submitted to the General Meeting of shareholders for consideration.

The Company and/or its subsidiaries are not allowed to provide loans to directors, supervisors and senior management directly or through subsidiaries.

- (v) If the Company and/or its subsidiaries provide guarantees for related parties, in addition to consideration and approval by more than half of all unrelated directors, it shall also be considered and approved by more than two-thirds of the unrelated directors present at the meeting of the Board of Directors, and submitted to the General Meeting of shareholders for consideration. If guarantees are provided for controlling shareholders, actual controllers and their related parties, the controlling shareholders, actual controllers and their related parties shall also provide counter-guarantees.

If a guaranteed party becomes a related party of the Company due to transactions or related party transactions, while the Company and/or its subsidiaries are implementing the transactions or related party transactions, the Company shall perform corresponding consideration procedures and information disclosure obligations for the existing related party guarantees. If the Board of Directors or the General Meeting of shareholders does not consider and approve such related party guarantee matters, the parties to the transaction shall take effective measures such as early termination of the guarantee.

- (vi) The following related party transactions shall be calculated accumulatively within 12 consecutive months, and the provisions of items (i) and (iii) of this Article shall apply:

1. Transactions with the same related party;

2. Transactions with different related parties related to subjects under the same transaction category.

The same related party includes other related parties that are controlled by the same entity as the related party, or have equity control relationship with each other.

Transactions that have gone through the consideration procedures of the General Meeting of shareholders in accordance with the cumulative calculation principle will no longer be included in the relevant cumulative calculation scope. Related party transactions that have been disclosed by the Company but have not been considered by the General Meeting of shareholders shall still be included in the corresponding cumulative calculation scope to determine the consideration procedures that should be performed.

(vii) The following transactions between the Company and/or its subsidiaries and related parties may be exempt from consideration and disclosure as related party transactions:

1. Transactions in which the Company and/or its subsidiaries unilaterally obtain benefits without paying consideration or attaching any obligations, including receiving cash assets, obtaining debt relief, receiving guarantees and financial assistance for free, etc.;
2. The related party provides funds to the Company and/or its subsidiaries with an interest rate level not higher than the quoted interest rate in the loan market, and the Company and/or its subsidiaries do not need to provide guarantees;
3. One party subscribes in cash for the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
4. One party serves as a member of the underwriting syndicate to underwrite the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
5. One party receives dividends, bonuses or remuneration according to the resolution of the shareholders' meeting of the other party;
6. One party participates in the other party's public bidding, auction, etc., except where it is difficult to form a fair price through bidding, auction, etc.;
7. The Company and/or its subsidiaries provide products and services to related natural persons other than nature persons directly or indirectly holding more than 5% of the shares of the Company under the same trading conditions as those with unrelated parties;
8. The pricing of related party transactions is stipulated by the State;

9. Other transactions identified by the SSE.

(viii) Related party transactions that do not need to be submitted to the Board of Directors or the General Meeting of shareholders for consideration in accordance with laws, regulations, normative documents and the above-mentioned provisions shall be implemented upon approval by the CEO of the Company.

Article 16 Routine related party transactions with related parties as defined by domestic securities regulators:

- (i) In the first occurrence of a routine related party transaction, the Company and/or its subsidiaries shall enter into a written agreement with the related party. Based on the total transaction amount involved in the agreement, the corresponding consideration procedures and disclosure obligations shall be performed in accordance with Article 15 of this System; if the agreement does not involve a total transaction amount, the transaction shall be submitted to the General Meeting of shareholders for consideration.
- (ii) For routine related party transaction agreements that have been considered and approved by the General Meeting of shareholders or the Board of Directors and are being implemented, if there are no major changes in the main terms during the implementation process, the Company shall disclose the actual performance of each agreement as required in the annual report and semi-annual report, and explain whether it complies with the provisions of the agreement.
- (iii) The Company can reasonably estimate the amounts of routine related party transactions in the current year by category, and perform consideration procedures and disclose them; if the actual transaction amount exceeds the estimated amount, the consideration procedures shall be re-performed according to the excess amount and disclosure shall be made.
- (iv) The annual report and semi-annual report shall disclose the summary of actual performance of routine related party transactions by category.
- (v) If the term of the routine related party transaction agreement signed by the Company and/or its subsidiaries and related parties exceeds three years, the relevant consideration procedures and disclosure obligations shall be re-performed every three years in accordance with the provisions of this Article.

Article 17 Connected transactions as defined by overseas securities regulators:

- (i) Connected transactions and continuing connected transactions that are exempt from the relevant shareholders' approval and all disclosure requirements (hereinafter referred to as "Fully Exempt Connected Transactions/Continuing Connected Transactions") shall be approved in accordance with the Company's internal authorisation procedures and reported to the Audit Committee of the Board of Directors for record.
- (ii) Connected transactions and continuing connected transactions that are exempt from the relevant independent shareholders' approval requirement but must comply with the relevant disclosure requirements (hereinafter referred to as "Partially Exempt Connected Transactions/Continuing Connected Transactions") shall be considered in accordance with the Board of Directors' consideration procedures stipulated in Article 15 of this System, and reported and announced in accordance with the provisions of the HKEx Listing Rules.
- (iii) Connected transactions/continuing connected transactions that do not fall under items (i) and (ii) above (hereinafter referred to as "Non-exempt Connected Transactions/Continuing Connected Transactions") shall be submitted to the General Meeting of shareholders for approval. Before submitting to the General Meeting of shareholders for approval, the independent non-executive board committee shall advise shareholders on whether the terms of the transaction or arrangement are fair and reasonable, whether transaction or arrangement is on normal commercial terms or better and in the ordinary and usual course of business of the Company and/or its subsidiaries, and whether the transaction or arrangement is in the interests of the Company and its shareholders as a whole; and the independent financial advisor appointed by the Company and acceptable by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") shall make recommendations to the independent non-executive board committee and shareholders in accordance with the relevant provisions of the HKEx Listing Rules on whether the terms of the transaction or arrangement are fair and reasonable, whether the transaction or arrangement is on normal commercial terms or better and in the ordinary and usual course of business of the Company and/or its subsidiaries, and whether the transaction or arrangement is in the interests of the Company and its shareholders as a whole, and give its opinion on how shareholders should vote. In the meantime, the Company shall comply with the relevant requirements under the HKEx Listing Rules, including shareholders' approval, annual review and all disclosure requirements.

Article 18 If a series of connected transactions as defined by overseas securities regulators are all entered into or completed within a 12-month period or are otherwise related, these transactions should be aggregated and treated as if they were one transaction. The Company must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

When determining whether to aggregate a series of connected transactions, according to the provisions of the HKEx Listing Rules, factors to be considered should include:

- (i) Whether they are entered into with the same party, or parties who are connected with one another;
- (ii) Whether they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or
- (iii) Whether they together lead to substantial involvement by the Group in a new business activity.

Article 19 For Partially Exempt Continuing Connected Transactions and Non-exempt Continuing Connected Transactions, the independent non-executive directors of the Company must review such continuing connected transactions every year and confirm in the annual report and/or accounts that:

- (i) Such transactions are in the ordinary and usual course of business of the Group;
- (ii) Such transactions have been entered into on normal commercial terms or better, or if the comparable transactions are insufficient to determine whether the terms of such transactions are on normal commercial terms, then the terms of such transactions are on terms no less favourable to the Group than terms available to or from (as the case may be) independent third parties;
- (iii) Such transactions have been entered into according to the terms of the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Article 20 For Partially Exempt Continuing Connected Transactions and Non-exempt Continuing Connected Transactions, the auditors must provide a letter to the Board of Directors every year (a copy of the letter must be sent to the Hong Kong Stock Exchange at least ten business days before the bulk printing of the Company's annual report published in accordance with the HKEx Listing Rules) to confirm the following matters:

- (i) Such transactions have been approved by the Board of Directors;

- (ii) If such transactions involve the provision of goods or services by the Company and/or its subsidiaries, such transactions comply with the pricing policy of the Listed Company;
- (iii) Such transactions were entered into in accordance with the terms of the relevant agreement governing such transactions;
- (iv) Such transactions have not exceeded the caps previously disclosed in the announcements.

The Listed Company must promptly notify the Hong Kong Stock Exchange and publish an announcement if the independent non-executive directors and/or the auditors cannot confirm the matters as required in Articles 19 and 20 above.

Article 21 When the Board of Directors, the Audit Committee of the Board of Directors and independent non-executive directors consider or express opinions on related party transactions, the directors who are related/connected to such related party transactions (hereinafter referred to as “Related Directors”) shall abstain, and shall not exercise voting rights on behalf of other directors. The meeting of the Board of Directors can be held if more than half of the unrelated directors are present, and the resolutions of the meeting of the Board of Directors must be passed by more than half of the unrelated directors. If the number of unrelated directors present at the meeting of the Board of Directors is no more than three, the transaction shall be submitted to the General Meeting of shareholders for consideration.

Related Directors include directors who meet any of the following conditions:

- (i) The director is a counterparty;
- (ii) The director has direct or indirect control over the counterparty;
- (iii) The director holds a position in the counterparty, or holds a position in a legal entity or other organisation that can directly or indirectly control the counterparty, or a legal person or other organisation directly or indirectly controlled by the counterparty;
- (iv) The director is a close family member of the counterparty or its direct or indirect controller;
- (v) The director is a close family member of a director, supervisor or senior management member of the counterparty or its direct or indirect controller;
- (vi) The director whose independent business judgement may be affected as determined by the regulatory authorities or the Company based on the principle of substance over form.

Article 22 For related party transactions that need to be considered by the General Meeting of shareholders, the shareholders who are related/connected to such transactions (hereinafter referred to as “Related Shareholders”) shall abstain from the consideration and shall not participate in voting, and the number of voting shares they represent shall not be included in the total number of valid voting shares; the Related Shareholders shall not exercise voting rights on behalf of other shareholders.

Related Shareholders include shareholders who meet any of the following conditions:

- (i) The shareholder is a counterparty;
- (ii) The shareholder has direct or indirect control over the counterparty;
- (iii) The shareholder is directly or indirectly controlled by the counterparty;
- (iv) The shareholder and the counterparty are directly or indirectly controlled by the same legal person or other organisation or natural person;
- (v) The shareholder holds a position in the counterparty, or holds a position in a legal entity or other organisation that can directly or indirectly control the counterparty, or a legal person or other organisation directly or indirectly controlled by the counterparty;
- (vi) The shareholder is a close family member of the counterparty or its direct or indirect controller;
- (vii) The shareholder whose voting rights are restricted and affected due to the unfulfilled equity transfer agreement or other agreements with the counterparty or its affiliates;
- (viii) The shareholder identified by the regulators as likely to cause the interests of the Listed Company to be tilted towards it.

Article 23 The abstention and voting procedures of Related Directors and Related Shareholders shall be carried out in accordance with the regulations of the regulatory authorities and the relevant requirements of the Articles of Association.

Chapter VI Execution of Related Party Transactions

Article 24 For transactions with related parties as defined by domestic securities regulators, the Company and/or its subsidiaries shall enter into written agreements.

Article 25 The related party transaction agreement shall include such main terms as transaction price and settlement method, pricing principles and basis, transaction volume or clear and specific determination method, payment time and method, conditions for the agreement to come into effect, effective date, and performance period.

If there are major changes in the main terms of the related party transaction agreement during the implementation or the agreement needs to be renewed upon expiration, the Company and/or its subsidiaries shall submit the newly revised or renewed related party transaction agreement to the competent approval authority for consideration.

Article 26 The content of the routine related party transaction agreement shall include items such as the pricing policy and basis, transaction price, transaction volume range or determination method of the transaction volume, payment time and method, and comparison with the actual transaction amounts of similar routine related party transactions in the previous three years.

If there are major changes in the main terms of the routine related party transaction agreement during the implementation or the agreement needs to be renewed upon expiration, the Company and/or its subsidiaries shall, in respect of the newly revised or renewed agreement, perform the consideration procedures and disclosure obligations in accordance with Article 16 of this System based on the total transaction amount involved in the agreement.

Article 27 For Partially Exempt Continuing Connected Transactions and Non-exempt Continuing Connected Transactions with related parties as defined by overseas securities regulators or otherwise constituted under the HKEx Listing Rules, the Company and/or its subsidiaries must enter into a written agreement with the counterparty for such continuing connected transactions, setting out the basis for calculating the payments to be made. The period for the agreement must be fixed and reflect normal commercial terms; it must not exceed three years except in special circumstances.

The Company and/or its subsidiaries must also set an annual cap transaction amount for each connected transaction, and specify the basis for calculating the transaction amount, and the Company must disclose the basis for calculation.

When the connected person no longer meets the exemption conditions, the Company shall comply with all applicable reporting, annual review, announcement and independent shareholders' approval requirements for the subsequent continuing connected transactions with such connected person, unless otherwise stipulated by the Hong Kong Stock Exchange.

Chapter VII Supervision of Related Party Transactions

Article 28 The Audit Committee of the Board of Directors shall make a special report to the Board of Directors every year on the implementation of this System, the operation of the Audit Committee of the Board of Directors, and the related party transactions of the year.

The Board of Supervisors shall supervise the review, voting, disclosure, performance, etc. of related party transactions and express opinions in the annual report.

Article 29 The Audit Department can conduct special audits on the major related party transactions of the Group, and report the audit results to the Board of Directors.

Chapter VIII Penalties

Article 30 If the Company, its subsidiaries, related parties and relevant obligors violate the provisions of this System, the relevant responsible persons will be held accountable in accordance with the provisions of laws, regulations, and normative documents.

Chapter IX Supplementary Provisions

Article 31 Unless otherwise expressly provided, the terms “General Meeting of shareholders”, “Board of Directors”, “Board of Supervisors”, “Audit Committee of the Board of Directors”, “Audit Department”, “Directors”, “Supervisors” and “senior management” in this System refer to the General Meeting of shareholders, Board of Directors, Board of Supervisors, Audit Committee of the Board of Directors, Directors, Supervisors, and senior management of Fosun Pharma.

The term “independent shareholders” as mentioned in this System refers to the shareholders of Fosun Pharma who do not need to abstain from voting when voting on a related party transaction at the General Meeting of shareholders.

The term “net assets” as mentioned in this System refers to the end-of-period net assets attributable to holders of ordinary shares of the Listed Company, excluding the amount of minority shareholders’ equity.

The term “subsidiaries” in this System includes:

- (i) Entities (including legal persons or other organisations) that Fosun Pharma directly or indirectly holds more than half of the issued share capital or controls more than half of the voting capital;
- (ii) Entities (including legal persons or other organisations) that Fosun Pharma directly or indirectly controls more than half of the directors of the board of directors;
- (iii) According to the applicable Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards, legal persons or other organisations that are or will be consolidated in the Group’s audited financial report as subsidiaries (including a legal person or other organisation).

The term “more than” as mentioned in this System includes the number/amount itself; “no more than”, “exceed” and “more than half” do not include the number/amount itself.

The term “timely” in this System refers to within two trading days from the date of commencement or the triggering of disclosure requirement.

Article 32 Matters not covered in this System, or contrary to relevant laws, regulations, normative documents and the Articles of Association, shall be implemented in accordance with relevant laws, regulations, normative documents and the Articles of Association. For contents regarding related parties and related party transactions contained in the Company's relevant systems other than the Articles of Association formulated before this System takes effect, in case of any conflict with this System, this System shall prevail.

Article 33 The Company can formulate specific implementation rules for the management of related parties and related party transactions in accordance with this System, and report to the Audit Committee of the Board of Directors for record.

Article 34 This System is interpreted and revised by the Board of Directors.

Article 35 This System will come into effect and be implemented from the date of approval by the General Meeting of shareholders.

In case of any discrepancy or inconsistency between the Chinese version and its English translation, the Chinese version shall prevail.

The biographical details of the candidate for supervisor, Mr. Chen Bing (陳冰) (“**Mr. Chen**”) are set out as follows:

POSITION AND EXPERIENCE

Mr. Chen, born in September 1974, aged 48, Chinese nationality. From September 1997 to August 2005, Mr. Chen served at KPMG. From April 2006 to August 2008, he served as a senior audit manager of MAZARS Shanghai Certified Public Accountants LLP* (上海瑪澤會計師事務所(普通合夥)), and from August 2008 to July 2017, as its partner. From July 2017 to December 2021, he served various positions including the joint general manager of the audit department, assistant to the president and senior assistant to the president of Fosun International, a company listed on the Hong Kong Stock Exchange (stock code: 00656). From January 2022, he has served as a vice president, the co-chief risk officer and the general manager of the audit department of Fosun International. Mr. Chen currently serves as a non-executive director of BabyTree Group, a company listed on the Hong Kong Stock Exchange (stock code: 01761) and a director and supervisor of certain subsidiaries of Fosun International. Mr. Chen is a non-practicing member of the Chinese Institute of Certified Public Accountants and a member of Shanghai Institute of Certified Public Accountants. Mr. Chen obtained his bachelor’s degree in economics from Fudan University in July 1997.

Mr. Chen has confirmed that, save as disclosed above, as at the Latest Practicable Date, he did not have any relationship with any Directors, other supervisors, senior management or substantial or controlling shareholders of the Company, and did not hold any other positions in the Company or any subsidiaries of the Company nor any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

TERM OF APPOINTMENT AND REMUNERATION

The Company proposes to appoint Mr. Chen as a supervisor of the ninth session of the Supervisory Committee and to enter into relevant supervisor service contract commencing from the date of Shareholders’ approval at the AGM up to the expiration of the term of the ninth session of the Supervisory Committee. Mr. Chen will not receive any remuneration from the Group as a supervisor.

INTERESTS IN SHARES

As at the Latest Practicable Date, Mr. Chen did not and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information that needs to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules nor any other matters relating to Mr. Chen that need to be brought to the attention of the Shareholders.

Details of the proposed renewed and additional guarantee quota are set out as follows:

I. SUMMARY OF THE GUARANTEES

Based on the business plan of the Group for 2023, it is proposed to the general meeting to approve the renewed and additional guarantee quota with an equivalent amount not exceeding RMB33,300 million since the passing of the resolution at the AGM for the purposes of: (1) the Company providing guarantees for its subsidiaries, the subsidiaries providing guarantees for the Company or providing guarantees among subsidiaries (note: subsidiaries include wholly-owned subsidiaries and non-wholly-owned subsidiaries (including subsidiaries with a debt-to-asset ratio of more than 70% (inclusive)), similarly hereinafter); and (2) the Company or its subsidiaries providing guarantees for their performance obligations with their own assets. The terms of the above guarantees are subject to the agreements, among which:

1. With respect to the guarantees provided by the Company to its subsidiaries, the guarantees provided by the subsidiaries to the Company or the guarantees provided between the subsidiaries:
 - (1) The total amount of guarantees provided for the guaranteed party with a debt-to-asset ratio of less than 70% (non-inclusive) shall not exceed the equivalent of RMB25,252 million;
 - (2) The total amount of guarantees provided for the guaranteed party with a debt-to-asset ratio of more than 70% (inclusive) shall not exceed the equivalent of RMB4,485 million.

If, according to the needs of business development, the above guarantee quota provided for the guaranteed party with a debt-to-asset ratio of more than 70% (inclusive) still has an unused balance, such quota can be adjusted for providing guarantees to the subsidiaries with a debt-to-asset ratio of less than 70% (non-inclusive).

The preliminary estimates of such guarantees are as follows (the actual situation shall prevail due to the large number of the subsidiaries which may increase or decrease due to mergers and acquisitions):

Unit: RMB (in ten thousand)

The guaranteed party (all being subsidiaries of the Company)	Expected renewed and additional guarantee quota	Debt maturity (not exceeding)
Fosun Pharmaceutical Industrial Fosun Industrial Co., Limited	1,100,000 900,000	10 years 7 years
Shanghai Fosun Health Technology (Group) Co., Ltd.*	250,000	15 years
Shanghai Henlius Biopharmaceuticals Co., Ltd.*	251,000	10 years
Shanghai Henlius Biologics Co., Ltd.*	197,500	10 years
Fosun Pharmaceutical (Xuzhou) Co., Ltd.*	40,000	10 years
Jiangsu Xingnuo Pharmaceutical Technology Co., Ltd.*	40,000	10 years
Fosun Antejin (Chengdu) Biomedical Co., Ltd.*	40,000	10 years
Shandong Erye Pharmaceutical Co., Ltd.*	27,000	3 years
Yueyang Guangji Hospital Company Limited*	24,000	15 years
Fosun Beiling (Beijing) Medical Technology Co., Ltd.*	21,500	7 years
Huaian Fosun Medical Devices Co., Ltd.*	20,000	7 years
Xuzhou Xingchen Women's and Children's Hospital Co., Ltd.*	15,700	15 years
Suqian Zhongwu Hospital Co., Ltd.*	15,000	15 years
Dalian Aleph Biomedical Co., Ltd.*	10,000	3 years
Shanghai Xingchen Children's Hospital Co., Ltd.*	10,000	3 years
Shanghai Fusheng Pharmaceutical Technology Development Co., Ltd.*	7,000	10 years
Shanghai Chemo Wanbang Biopharma Co., Ltd.*	5,000	5 years

With regard to the guarantees provided under such guarantee quota proposed to be renewed and increased, if the guaranteed party is a non-wholly-owned subsidiary of the Company, the Group in principal only undertakes liability of guarantee corresponding to the stock equity/interests held by the Group. The guarantee beyond the proportion corresponding to the stock equity/interests held by the Group shall be provided with counter guarantee by other shareholders of the guaranteed party or the guaranteed party.

2. Within the renewed and additional guarantee quota approved at the general meeting (i.e. not exceeding the equivalent of RMB33,300 million) and in addition to the quota actually used in item 1 above, the Company or its subsidiaries may, according to actual business needs, use its own assets to provide guarantee for its own performance obligations.

The renewed and additional guarantee quota shall be effective from the passing of this resolution at the AGM to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.

II. GENERAL INFORMATION OF THE GUARANTEED COMPANIES

1. Fosun Pharmaceutical Industrial

Fosun Pharmaceutical Industrial was established in November 2001 and registered in Shanghai. Its legal representative is Mr. Wu Yifang. Its scope of business includes the following licensed items: wholesale of pharmaceutical products; import and export of goods; import and export of technologies; entrusted manufacturing of pharmaceutical products. Its scope of business also includes the following general items: industrial investment, investment in pharmaceutical industry, technology development, technology consultation, technology transfer and technical services in the field of biotechnology, the R&D of pharmaceutical products, chemical reagents and medical devices, and sales of drug testing instruments, special equipment for pharmaceutical manufacturing, packaging materials and products.

As at the Latest Practicable Date, Fosun Pharmaceutical Industrial had a registered capital of RMB3,456.60 million, and the Company held 100% equity interests in Fosun Pharmaceutical Industrial.

Based on the management's accounts (on an individual basis and unaudited) of Fosun Pharmaceutical Industrial, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB23,686.40 million, RMB8,737.24 million and RMB14,949.17 million, respectively; in 2022, Fosun Pharmaceutical Industrial generated revenue and net profit of RMB3,468.33 million and RMB1,058.67 million, respectively.

2. Fosun Industrial Co., Limited ("Fosun Industrial")

Fosun Industrial was established in September 2004 and registered in Hong Kong. Its chairman of the board is Ms. Guan Xiaohui. Its scope of business includes foreign investment, sales and advisory services for Chinese and Western medicine, diagnostic reagents and medical equipment products, as well as the related export and import business.

As at the Latest Practicable Date, the Company held 100% equity interests in Fosun Industrial.

Based on the management's accounts (prepared based on the Hong Kong Accounting Standards, on an individual basis and unaudited) of Fosun Industrial, as at 31 December 2022, its total assets, equity interests and total liabilities were equivalent to approximately RMB17,787.25 million, RMB7,845.65 million and RMB9,941.61 million, respectively; in 2022, Fosun Industrial generated revenue and net profit equivalent to approximately RMB3,513.95 million and RMB51.53 million, respectively.

3. Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司) (“Fosun Health”)

Fosun Health was established in December 2010 and registered in Shanghai. Its legal representative is Mr. Chen Yuqing. Its scope of business includes technology development, technology consultancy, technology services and technology transfer in the field of health technology; investments in the medical and healthcare industry and its related fields (including the pharmaceutical and healthcare industry and pharmaceutical and educational industry); and performance of hospital management as entrusted by medical and healthcare institutions and provision of hospital management consultancy (except for brokerage).

As at the Latest Practicable Date, Fosun Health had a registered capital of RMB3,804.35 million, and the Company and its subsidiary Ningbo Liding Enterprise Management Partnership (Limited Partnership)* (寧波礪定企業管理合夥企業(有限合夥)) together held 100% equity interests in Fosun Health.

Based on the management's accounts (on an individual basis and unaudited) of Fosun Health, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB7,231.77 million, RMB2,886.28 million and RMB4,345.49 million, respectively; in 2022, Fosun Health generated revenue and net profit of RMB0 and RMB-274.07 million, respectively.

4. Shanghai Henlius Biopharmaceuticals Co., Ltd.* (上海復宏漢霖生物製藥有限公司) (“Henlius Biopharmaceuticals”)

Henlius Biopharmaceuticals was established in June 2014 and registered in Shanghai. Its legal representative is Mr. Yan Zihou. Its scope of business includes pharmaceutical production, Original Equipment Manufacture of pharmaceutical production and class III medical devices business. Its scope of business also includes the following general items: technical services, technology development, technical consultation, technical communication, technology transfer, technology promotion, import and export of goods, import and export of technologies, sales of specialized chemical products (excluding hazardous chemicals), sales of instruments, sales of class I medical devices and sales of class II medical devices.

As at the Latest Practicable Date, Henlius Biopharmaceuticals had a registered capital of RMB740 million, and Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a subsidiary of the Company, held 100% equity interests in Henlius Biopharmaceuticals.

Based on the management's accounts (on an individual basis and unaudited) of Henlius Biopharmaceuticals, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB3,137.65 million, RMB744.21 million and RMB2,393.44 million, respectively; in 2022, Henlius Biopharmaceuticals generated revenue and net profit of RMB2,753.99 million and RMB332.07 million, respectively.

5. Shanghai Henlius Biologics Co., Ltd.* (上海復宏漢霖生物醫藥有限公司) (“Henlius Pharmaceutical”)

Henlius Pharmaceutical was established in December 2017 and registered in Shanghai. Its legal representative is Mr. Guo Xinjun. Its scope of business includes the following licensed items: pharmaceutical production, Original Equipment Manufacture of pharmaceutical production and class III medical devices business. Its scope of business also includes the following general items: technical services, technology development, technical consultation, technical communication, technology transfer, technology promotion, import and export of goods, import and export of technologies, sales of class I medical devices, rental of class II medical devices and rental of machinery and equipment.

As at the Latest Practicable Date, Henlius Pharmaceutical had a registered capital of RMB1,000 million, and Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a subsidiary of the Company, held 100% equity interests in Henlius Pharmaceutical.

Based on the management's accounts (on an individual basis and unaudited) of Henlius Pharmaceutical, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB2,499.67 million, RMB199.39 million and RMB2,300.28 million, respectively; in 2022, Henlius Pharmaceutical generated revenue and net profit of RMB170.26 million and RMB-177.32 million, respectively.

6. Fosun Pharmaceutical (Xuzhou) Co., Ltd.* (復星醫藥(徐州)有限公司) (“Xuzhou Fosun Pharma”)

Xuzhou Fosun Pharma was established in January 2019 and registered in Xuzhou City, Jiangsu Province. Its legal representative is Mr. Wu Yifang. Its scope of business includes R&D, production and sales of pharmaceutical products, biochemical products, medical devices, diagnostic reagents and reagents; instruments and meters, electronic products, computers, biotechnology development, technology transfer, technical consultation and technical services; import and export of goods and technologies (except for those prohibited by the State or subject to administrative approval); non-vocational skills training in medical technology for adults (For items which are subject to approval according to law, their operation shall only commence after receiving approval from relevant authorities).

As at the Latest Practicable Date, Xuzhou Fosun Pharma had a registered capital of RMB300 million, and Fosun Industrial and Fosun Pharmaceutical Industrial, both being subsidiaries of the Company, together held 100% equity interests in Xuzhou Fosun Pharma.

Based on the management's accounts (on an individual basis and unaudited) of Xuzhou Fosun Pharma, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB533.16 million, RMB312.70 million and RMB220.46 million, respectively; in 2022, Xuzhou Fosun Pharma generated revenue and net profit of RMB0.53 million and RMB0.94 million, respectively.

7. Jiangsu Xingnuo Pharmaceutical Technology Co., Ltd.* (江蘇星諾醫藥科技有限公司) (“Jiangsu Xingnuo”)

Jiangsu Xingnuo was established in October 2018 and registered in Xuzhou City, Jiangsu Province. Its legal representative is Ms. An Lijuan. Its scope of business includes development, production and sales of chemical drug APIs, and import and export of goods and technologies.

As at the Latest Practicable Date, Jiangsu Xingnuo had a registered capital of RMB300 million, and Fosun Pharmaceutical Industrial and Fosun Industrial, both being subsidiaries of the Company, together held 100% equity interests in Jiangsu Xingnuo.

Based on the management's accounts (on an individual basis and unaudited) of Jiangsu Xingnuo, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB553.65 million, RMB292.90 million and RMB260.75 million, respectively; in 2022, Jiangsu Xingnuo generated revenue and net profit of RMB0.01 million and RMB-6.99 million, respectively.

8. Fosun Antejin (Chengdu) Biomedical Co., Ltd.* (復星安特金(成都)生物製藥有限公司) (“Fosun Antejin”)

Fosun Antejin was established in July 2012 and registered in Chengdu City, Sichuan Province. Its legal representative is Mr. Wang Kexin. Its scope of business includes biotechnology research and development, and provision of technology consultation, technical services and technology transfer (excluding pre-approval items; post-approval items shall be operated with licenses or approval documents).

As at the Latest Practicable Date, Fosun Antejin had a registered capital of RMB79.931 million, among which, Fosun Pharmaceutical Industrial, a subsidiary of the Company, held approximately 73.01% equity interests in Fosun Antejin, and the other 14 shareholders together held approximately 26.99% equity interests in Fosun Antejin.

Based on the management's accounts (on an individual basis and unaudited) of Fosun Antejin, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB3,378.20 million, RMB3,316.94 million and RMB261.27 million, respectively; in 2022, Fosun Antejin generated revenue and net profit of RMB15.06 million and RMB-13.39 million, respectively.

9. Shandong Erye Pharmaceutical Co., Ltd.* (山東二葉製藥有限公司) (“Shandong Erye”)

Shandong Erye was established in July 2017 and registered in Heze City, Shandong Province. Its legal representative is Ms. Zhang Jian. Its scope of business includes production of preparations, APIs and pharmaceutical intermediates (license-related items shall be produced at the production address and within the scope of production as approved in the license; national restricted, prohibited and hazardous chemical products are not allowed to be produced); sales of the products produced by the company itself; self-operated and agency import and export of various commodities and technologies (except for those operated by State-designated companies or prohibited by the State for import and export); technology development, technology transfer, technology consultation and technical services in the field of pharmaceutical technology (For items which are subject to approval according to law, their operation shall only commence after receiving approval from relevant authorities).

As at the Latest Practicable Date, Shandong Erye had a registered capital of RMB112 million, and Suzhou Erye Pharmaceutical Co., Ltd.* (蘇州二葉製藥有限公司), a subsidiary of the Company, held 100% equity interests in Shandong Erye.

As audited by Heze Jiangtian United Certified Public Accountants (Limited Partnership)* (荷澤江天聯合會計師事務所(普通合夥)) (on an individual basis), as at 31 December 2022, Shandong Erye's total assets, equity interests and total liabilities amounted to RMB750.33 million, RMB244.63 million and RMB505.70 million, respectively; in 2022, Shandong Erye generated revenue and net profit of RMB553.09 million and RMB92.49 million, respectively.

10. Yueyang Guangji Hospital Company Limited* (岳陽廣濟醫院有限公司) (“Yueyang Guangji Hospital”)

Yueyang Guangji Hospital was established in December 2004 and registered in Yueyang City, Hunan Province. Its legal representative is Mr. Yang Chuanhua. Its scope of business includes preventive care, general practice, internal medicine, surgery, obstetrics, pediatrics, child healthcare, ophthalmology, otorhinolaryngology, stomatology, dermatology, oncology, emergency medicine, rehabilitation medicine, occupational medicine, hospice care, anesthesiology, medical laboratory, pathology, medical imaging, traditional Chinese medicine, combined therapy of Chinese and Western medicine and investment in medical and healthcare industries with self-own assets.

As at the Latest Practicable Date, Yueyang Guangji Hospital had a registered capital of RMB111.12 million, and Fosun Health, a subsidiary of the Company, held approximately 98.71% equity interests in Yueyang Guangji Hospital. Approximately 1.29% of the equity interest in Yueyang Guangji Hospital is held by Liu Yaodan.

Based on the management's accounts (on an individual basis and unaudited) of Yueyang Guangji Hospital, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB514.73 million, RMB180.23 million and RMB334.51 million, respectively; in 2022, Yueyang Guangji Hospital generated revenue and net profit of RMB156.60 million and RMB-12.73 million, respectively.

11. Fosun Beiling (Beijing) Medical Technology Co., Ltd.* (復星北鈴(北京)醫療科技有限公司) (“Fosun Beiling”)

Fosun Beiling was established in February 2010 and registered in Beijing. Its legal representative is Mr. Liu Yi. Its scope of business includes the following general items: technology services, technology development, technical consultation, technical communication, technology transfer, technology promotion, sales of class I medical devices, sales of class II medical devices, rental of class II medical devices, manufacture of class I medical devices, rental of class I medical devices, sales of class III medical devices, etc.

As at the Latest Practicable Date, Fosun Beiling had a registered capital of RMB12 million, among which, Qianda (Tianjin) International Trading Co., Ltd.* (謙達(天津)國際貿易有限公司), a subsidiary of the Company, held 55% equity interests in Fosun Beiling, and Yang Jianpeng held 45% equity interests in Fosun Beiling.

As audited by Beijing Zhongqilihong Certified Public Accountants Co., Ltd.* (北京中企利宏會計師事務所有限公司) (on an individual basis), as at 31 December 2022, Fosun Beiling's total assets, equity interests and total liabilities amounted to RMB314.13 million, RMB94.90 million and RMB219.23 million, respectively; in 2022, Fosun Beiling generated revenue and net profit of RMB355.69 million and RMB27.63 million, respectively.

12. Huaian Medical Instruments Co.,Ltd.* (淮安復星醫療器械有限公司) (“Huaian Medical”)

Huaian Medical was established in April 2021 and registered in Huaian City, Jiangsu Province. Its legal representative is Mr. Bu Guojun. Its scope of business includes the following licensed items: manufacture of class II medical devices and business of class III medical devices. Its scope of business also includes the following general items: manufacture of class I medical devices, sales of class I medical devices, sales of class II medical devices, sales of drug sundries and disposable medical supplies, wholesale of protective equipment for medical staff and sales of special labor protection supplies, etc.

As at the Latest Practicable Date, Huaian Medical had a registered capital of RMB50 million, and Ningbo Fuji Medical Technology Co., Ltd.* (寧波復技醫療科技有限公司), a subsidiary of the Company, held 100% equity interests in Huaian Medical.

As audited by Jiangsu Huaihai Certified Public Accountants Co., Ltd.* (江蘇淮海會計師事務所有限公司) (on an individual basis), as at 31 December 2022, Huaian Medical's total assets, equity interests and total liabilities amounted to RMB156.38 million, RMB98.16 million and RMB58.22 million, respectively; in 2022, Huaian Medical generated revenue and net profit of RMB0.68 million and RMB-1.63 million, respectively.

13. Xuzhou Xingchen Women's and Children's Hospital Co., Ltd.* (徐州星晨婦兒醫院有限公司) (“Xuzhou Xingchen Women's and Children's Hospital”)

Xuzhou Xingchen Women's and Children's Hospital was established in July 2018 and registered in Xuzhou City, Jiangsu Province. Its legal representative is Ms. Dong Jianying. Its scope of business includes internal medicine, surgery, obstetrics, women's healthcare, pediatrics, emergency medicine, medical laboratory, medical imaging, anesthesiology, traditional Chinese medicine, medical beauty, and intensive care medicine; medical services; food business (sales of pre-packaged food); catering services; sales of infant formula milk powder; pharmaceutical products retailing; and health consultation services (excluding diagnosis and treatment services).

As at the Latest Practicable Date, Xuzhou Xingchen Women's and Children's Hospital had a registered capital of RMB300 million, among which, Fosun Health, a subsidiary of the Company, held 65% equity interests in Xuzhou Xingchen Women's and Children's Hospital, and Jiangsu Yinwan Investment Development Co., Ltd.* (江蘇引萬投資發展有限公司) held 35% equity interests in Xuzhou Xingchen Women's and Children's Hospital.

Based on the management's accounts (on an individual basis and unaudited) of Xuzhou Xingchen Women's and Children's Hospital, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB440.50 million, RMB213.50 million and RMB227.00 million, respectively; in 2022, Xuzhou Xingchen Women's and Children's Hospital generated revenue and net profit of RMB35.62 million and RMB-47.15 million, respectively.

14. Suqian Zhongwu Hospital Co., Ltd.* (宿遷市鐘吾醫院有限責任公司) (“Suqian Zhongwu Hospital”)

Suqian Zhongwu Hospital was established in March 2012 and registered in Suqian City, Jiangsu Province, and is a general hospital of Grade Two Level A. Its legal representative is Mr. Lu Weiqing. Its scope of business includes internal medicine, surgery, obstetrics, pediatrics, ophthalmology, stomatology, otorhinolaryngology, dermatology, emergency medicine, intensive care medicine, rehabilitation medicine, traditional Chinese medicine, anesthesiology, pathology, medical laboratory, medical imaging and infectious disease clinic.

As at the Latest Practicable Date, Suqian Zhongwu Hospital had a registered capital of RMB17.5 million, among which, Fosun Health, a subsidiary of the Company, held approximately 61.43% equity interests in Suqian Zhongwu Hospital, and 30 shareholders (all being natural persons) together held approximately 38.57% equity interests in Suqian Zhongwu Hospital.

Based on the management’s accounts (on an individual basis and unaudited) of Suqian Zhongwu Hospital, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB739.14 million, RMB246.65 million and RMB492.49 million, respectively; in 2022, Suqian Zhongwu Hospital generated revenue and net profit of RMB418.94 million and RMB13.09 million, respectively.

15. Dalian Aleph Biomedical Co., Ltd.* (大連雅立峰生物製藥有限公司) (“Aleph”)

Aleph was established in February 2002 and registered in Dalian City, Liaoning Province. Its legal representative is Mr. Zhang Yuhui. Its scope of business includes biotechnology development and consultation services; production of influenza virus split vaccine; production of rabies vaccine for human use (Vero cells); SARS vaccine research (those subject to administrative licenses must be operated with a license), import and export of goods and technologies (excluding distribution of imported goods).

As at the Latest Practicable Date, Aleph had a registered capital of RMB400 million, and Antejin, a subsidiary of the Company, held 100% equity interests in Aleph.

As audited by Dalian Ruihua Certified Public Accountants Co., Ltd.* (大連瑞華會計師事務所有限公司) (on an individual basis), as at 31 December 2022, Aleph’s total assets, equity interests and total liabilities amounted to RMB1,050.47 million, RMB528.98 million and RMB521.48 million, respectively; in 2022, Aleph generated revenue and net profit of RMB460.79 million and RMB130.68 million, respectively.

**16. Shanghai Xingchen Children’s Hospital Co., Ltd.* (上海星晨兒童醫院有限公司)
 (“Shanghai Xingchen Children’s Hospital”)**

Shanghai Xingchen Children’s Hospital was established in May 2014 and registered in Shanghai. Its legal representative is Mr. Chen Yuqing. Its scope of business includes the following licensed items: medical services, Chinese medicine decoction services, class III medical devices business and sales of food. Its scope of business also includes the following general items: hospital management, remote health management services, health consultation services (excluding diagnosis and treatment services), rehabilitation aids adaptation services, sales of class I medical devices and class II medical devices, sales of glasses (excluding contact lenses), sales of maternal and child products, etc.

As at the Latest Practicable Date, Shanghai Xingchen Children’s Hospital had a registered capital of RMB299.80 million, among which, Shanghai Fuer Yixing Hospital Management Co., Ltd.* (上海復兒醫星醫院管理有限公司), a subsidiary of the Company, held 79% equity interests in Shanghai Xingchen Children’s Hospital, Shanghai Hongxin Medical Investment Holding Co., Ltd.* (上海虹信醫療投資控股有限公司) held 20% equity interests in Shanghai Xingchen Children’s Hospital and Shanghai Fudan Medical Industry Venture Capital Co., Ltd.* (上海復旦醫療產業創業投資有限公司) held 1% equity interests in Shanghai Xingchen Children’s Hospital.

Based on the management’s accounts (on an individual basis and unaudited) of Shanghai Xingchen Children’s Hospital, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB499.28 million, RMB224.04 million and RMB275.24 million, respectively; in 2022, Shanghai Xingchen Children’s Hospital generated revenue and net profit of RMB3.77 million and RMB–28.52 million, respectively.

17. Shanghai Fusheng Pharmaceutical Technology Development Co., Ltd.* (上海復盛醫藥科技發展有限公司) (“Fusheng Pharmaceutical”)

Fusheng Pharmaceutical was established in November 2010 and registered in Shanghai. Its legal representative is Mr. Wen Deyong. Its scope of business includes technology consultation, technology development, technology transfer and technical services in the professional fields of pharmaceutical products, biological products, healthcare products, diagnostic reagents, diagnostic medical devices and laboratory equipment, industrial investment, pharmaceutical investment, import and export of goods and technologies, rental of self-owned property and property management.

As at the Latest Practicable Date, Fusheng Pharmaceutical had a registered capital of RMB300 million, and Fosun Pharmaceutical Industrial, a subsidiary of the Company, held 100% equity interests in Fusheng Pharmaceutical.

Based on the management's accounts (on an individual basis and unaudited) of Fusheng Pharmaceutical, as at 31 December 2022, its total assets, equity interests and total liabilities amounted to RMB753.74 million, RMB288.32 million and RMB465.42 million, respectively; in 2022, Fusheng Pharmaceutical generated revenue and net profit of RMB23.98 million and RMB4.03 million, respectively.

**18. Shanghai Chemo Wanbang Biopharma Co., Ltd.* (上海凱茂生物醫藥有限公司)
("Chemo Biopharma")**

Chemo Biopharma was established in November 2008 and registered in Shanghai. Its legal representative is Mr. Zhou Yongchun. Its scope of business includes the following licensed items: production of pharmaceutical products; inspection and testing services; import and export of goods; and import and export of technologies. Its scope of business also includes the following general items: sales of machinery and equipment.

As at the Latest Practicable Date, Chemo Biopharma had a registered capital of RMB153 million, and Fosun Pharmaceutical Industrial and Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), both being subsidiaries of the Company, together held 100% equity interests in Chemo Biopharma.

As audited by Shanghai Oriental Certified Public Accountants Co., Ltd.* (上海東方會計師事務所有限公司) (on an individual basis), as at 31 December 2022, Chemo Biopharma's total assets, equity interests and total liabilities amounted to RMB444.57 million, RMB363.19 million and RMB81.38 million, respectively; in 2022, Chemo Biopharma generated revenue and net profit of RMB116.63 million and RMB-15.69 million, respectively.

III. OPINION OF THE BOARD

Given that the guarantees under such renewed and additional guarantee quota are made based on the operational needs of the Group and the guaranteed parties are the Company or its subsidiaries only, the risks of the guarantees are relatively controllable, therefore the Board approved the above guarantees, and agreed to submit the same to the general meeting for consideration.

* *for identification purposes only*

Details of the resolution in relation to the proposed grant of General Mandate to Issue A Shares and/or H Shares are set out as follows:

I. PARTICULARS OF THE MANDATE

Set out below are the particulars of the general mandate, including but not limited to:

1. Granting of an unconditional and general mandate to the Board, subject to the market condition and the needs of the Company, to issue, allot and deal with additional A Shares and/or H Shares of the Company during the Relevant Period (as defined below).
2. Making or granting offers or agreements that might or would require A Shares and/or H Shares to be issued or other transferable rights to subscribe for or purchase A Shares and/or H Shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, bonds, debentures or other Instruments convertible into Shares.
3. Issuing additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights issue, bonus or capitalisation issues.
4. The total number of the A Share and/or H Shares approved to be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Board (regardless of the reason for the allotment), including those underlying offers and/or agreements made or granted (including warrants, convertible bonds and other securities carrying rights of subscription for or conversion into A Shares and/or H Shares) (based on the number of A Shares and/or H Shares that may be converted to or allotted pursuant to such securities), shall not exceed 20% of the total number of the A Shares and/or H Shares in issue as at the date of passing of this resolution at the general meeting of the Company.
5. The Board shall be authorized to formulate and implement specific issuance plans when exercising the aforementioned general mandate, including but not limited to the class of new Shares to be issued, the pricing methods and/or the issue price (including the price range), number of Shares to be issued, allottees, use of proceeds, time of issuance, period of issuance, specific subscription methods, the pre-emptive subscription ratio of existing Shareholders and other specific matters relating to the issuance.
6. The Board shall be authorized to engage services of intermediary institutions for matters in relation to the issuance, and to approve and execute all the acts, deeds, documents and other matters which are necessary, appropriate, desirable or relevant to the issuance; to consider and approve and to execute, for and on behalf of the Company, agreements relating to the issuance, including but not limited to placement and underwriting agreement and engagement agreement of intermediary institutions.

7. The Board shall be authorized to consider and approve and to execute, for and on behalf of the Company, the statutory documents relating to the issuance for submission to the relevant regulatory authorities. Pursuant to the requirements of the regulatory authorities and places where the Company is listed, the Company shall implement relevant approval procedures and complete all necessary record, registration and filing procedures with the relevant governmental authorities in Hong Kong and/or other regions and jurisdictions (if applicable).
8. The Board and/or its authorized persons shall be authorized to amend, as required by the relevant regulatory authorities within or outside PRC, the agreements and statutory documents referred to in items 6 and 7 above.
9. The Board shall be authorized to approve the increase of registered capital of the Company after issuance of new Shares and make amendments to the Articles relating to, among others, the total share capital and shareholding structure, and the management shall be authorized to carry out the relevant procedures.

II. PERIOD OF THE MANDATE

The aforementioned mandate shall not extend beyond the Relevant Period save that, during the Relevant Period, the Board makes or grants offers, agreements or options with respect to the issue of A Shares and/or H Shares which might be required to be carried out or implemented after the end of the Relevant Period.

For the purpose of this resolution, the “Relevant Period” refers to the period commencing from the passing of this resolution at the AGM to the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.

The Board will only exercise the aforesaid general mandate in accordance with the Company Law and the Hong Kong Listing Rules or all applicable laws, rules and regulations of any other governmental or regulatory authorities and only if all necessary approvals from CSRC and/or other relevant governmental authorities of PRC are obtained.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Hong Kong Listing Rules. Its purpose is to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution in relation to granting of the Repurchase Mandates.

I. SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company was 2,672,156,611 comprising 551,940,500 H Shares of RMB1.00 each and 2,120,216,111 A Shares of RMB1.00 each.

Subject to the passing of the proposed resolutions in respect of the granting of the A Share Repurchase Mandate and H Share Repurchase Mandate, on the basis that no further Shares are issued prior to the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting, the Company would be allowed under the Repurchase Mandates to repurchase a maximum of 212,021,611 A Shares and 55,194,050 H Shares (representing 10% of the number of A Shares and H Shares in issue as at the date of passing of the resolutions relating to the relevant Repurchase Mandates) during the Relevant Period (as defined below).

II. REASON FOR THE REPURCHASE

The Board believes that the grant of A Share Repurchase Mandate and H Share Repurchase Mandate may afford flexibility and benefit to the Company to repurchase Shares based on the market changes and actual need. The repurchase of Shares will only be exercised when the Directors believe such repurchase will benefit the Company and the Shareholders.

III. EXERCISE OF THE REPURCHASE MANDATES

Subject to the passing of the special resolutions in relation to the grant of the Repurchase Mandates to the Board proposed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting, respectively, the Board will be granted the A Share Repurchase Mandate and H Share Repurchase Mandate until the earlier of (a) the conclusion of the next annual general meeting of the Company, or (b) the passing of a special resolution at a general meeting, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under the relevant special resolution (the “**Relevant Period**”). In addition, the exercise of the Repurchase Mandates shall be subject to the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained (if applicable).

IV. FUNDING OF THE REPURCHASE

In repurchasing its A Shares and/or H Shares, the Company intends to apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company may not repurchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange as amended from time to time.

There might be an adverse impact on the working capital or gearing ratio of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended 31 December 2022 in the event that the repurchase of A Shares and/or H Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to carry out the repurchase of A Shares or H Shares if there may be a material adverse effect on the working capital requirements or the gearing ratio of the Company.

V. SHARE PRICES

The highest and lowest trading prices for the A Shares and H Shares on the Shanghai Stock Exchange and the Hong Kong Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	A Shares		H Shares	
	Highest <i>RMB</i>	Lowest <i>RMB</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
May 2022	46.15	40.85	34.75	29.85
June 2022	46.00	41.38	33.20	28.40
July 2022	52.89	43.55	34.00	28.10
August 2022	44.96	39.59	28.90	24.55
September 2022	41.33	29.44	25.75	18.20
October 2022	33.53	27.64	20.90	17.36
November 2022	39.09	32.86	27.00	19.98
December 2022	40.68	34.22	29.00	23.40
January 2023	37.18	33.91	28.15	24.85
February 2023	34.55	33.23	25.95	22.65
March 2023	34.16	31.31	23.65	21.15
April 2023	34.30	30.73	24.15	21.65
May 2023 (up to the Latest Practicable Date)	32.74	30.78	23.20	21.15

VI. GENERAL INFORMATION

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandates in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor their close associates, has any present intention to sell any A Shares or H Shares to the Company or its subsidiaries under the Repurchase Mandates of A Shares or H Shares if such resolutions are approved by the Shareholders.

No other core connected persons have notified the Company that they have a present intention to sell A Shares or H Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandates are approved by the Shareholders.

VII. TAKEOVERS CODE

If on the exercise of the powers to repurchase A Shares and H Shares pursuant to the A Share Repurchase Mandate and H Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, (i) Fosun High Tech beneficially held 885,595,955 A Shares and 71,533,500 H Shares, (ii) Fosun International beneficially held 6,000,000 H Shares and (iii) Mr. Guo Guangchang beneficially held 114,075 A Shares, and they together accounted for approximately 41.77% and 14.05% of the total number of A Shares and H Shares in issue of the Company, respectively, which in aggregate represented approximately 36.05% of the total share capital of the Company. In the event that the Directors should exercise the proposed A Share Repurchase Mandate and H Share Repurchase Mandate in full, the proportional interests in the voting rights of the Company held by Fosun High Tech, Fosun International and Mr. Guo Guangchang (who are presumed to be concert parties under the Takeovers Code), would increase to approximately 40.05% of the total share capital of the Company (on the basis that none of them participates in such repurchase). The increase would result in the obligation of making a mandatory offer under Rule 26 of the Takeovers Code. The Board has present no intention to exercise the A Share Repurchase Mandate and/or H Share Repurchase Mandate if it would result in a takeover obligation, or consequences that would arise under any similar applicable law of which the Directors are aware. Moreover, the Directors will not repurchase Shares on the Hong Kong Stock Exchange if such repurchase would violate the requirements under Rule 8.08 of the Hong Kong Listing Rules.

VIII. SHARES REPURCHASED BY THE COMPANY

The Company did not repurchase any Shares (whether on the Hong Kong Stock Exchange, other stock exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

IX. STATUS OF THE SHARES REPURCHASED

Pursuant to the Hong Kong Listing Rules, H Shares repurchased under the H Share Repurchase Mandate shall be cancelled, and the registered capital of the Company shall be reduced accordingly based on the total nominal value of H Shares cancelled. A Shares repurchased pursuant to the repurchase plan (if any) to be determined by the Board under the A Share Repurchase Mandate shall be transferred or cancelled in accordance with the repurchase plan (if any), subject to relevant laws, regulations and rules in the PRC.

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “Company”) will be held at Sky Fortune Boutique Hotel Shanghai, No. 358 Hong Xu Road, Shanghai, the PRC on Wednesday, 28 June 2023 at 1:00 p.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 25 May 2023 (the “Circular”).

ORDINARY RESOLUTIONS

1. To consider and approve the annual report of the Group for the year 2022.
2. To consider and approve the work report of the Board for the year 2022.
3. To consider and approve the work report of the Supervisory Committee for the year 2022.
4. To consider and approve the final accounts report of the Group for the year 2022.
5. To consider and approve the profit distribution proposal of the Company for the year 2022.
6. To consider and approve the re-appointment of Ernst & Young Hua Ming LLP as the PRC financial report and internal control report auditors of the Company for the year 2023 and re-appointment of Ernst & Young as international financial report auditors of the Company for the year 2023 and the passing of remuneration packages for the PRC and international auditors for the year 2022.
7. To consider and approve the appraisal results and remunerations of Directors for 2022.
8. To consider and approve the appraisal program of Directors for 2023.
9. To consider and approve the renewed and additional entrusted loans/borrowings quota of the Group.
10. To consider and approve the provision of a loan to Fosun Kite, a joint venture, in proportion to equity interest.

NOTICE OF AGM

11. To consider and approve the additional credit applications of the Company.
12. To consider and approve the authorisation of the management to dispose of the shares of the listed companies held by the Group.
13. To consider and approve the adjustment of allowance of independent non-executive Directors.
14. To consider and approve the amendments to the Related Party Transaction Management System of the Company.
15. To consider and approve the election of a Supervisor.

SPECIAL RESOLUTIONS

16. To consider and approve the renewed and additional guarantee quota of the Group.
17. To consider and, if thought fit, approve the proposed grant of general mandate to issue A Shares and/or H Shares:
 - (1) Granting of an unconditional general mandate to the Board, subject to the market condition and the needs of the Company, to issue, allot and deal with additional A Shares and/or H Shares of the Company during the Relevant Period (as defined below).
 - (2) Making or granting offers or agreements that might or would require A Shares and/or H Shares to be issued or other transferable rights to subscribe for or purchase A Shares and/or H Shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, bonds, debentures or other Instruments convertible into Shares.
 - (3) Issuing additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights issue, bonus or capitalization issues.
 - (4) The total number of the A Share and/or H Shares approved to be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Board (regardless of the reason for the allotment), including those underlying offers and/or agreements made or granted (including warrants, convertible bonds and other securities carrying rights of subscription for or conversion into A Shares and/or H Shares) (based on the number of A Shares and/or H Shares that may be converted to or allotted pursuant to such securities), shall not exceed 20% of the total number of the A Shares and/or H Shares in issue as at the date of passing this resolution at the general meeting of the Company.

NOTICE OF AGM

- (5) The Board shall be authorized to formulate and implement specific issuance plans when exercising the aforementioned general mandate, including but not limited to the class of new shares to be issued, the pricing methods and/or the issue price (including the price range), number of Shares to be issued, allottees, use of proceeds, time of issuance, period of issuance, specific subscription methods, the pre-emptive subscription ratio of existing Shareholders and other specific matters relating to the issuance.
- (6) The Board shall be authorised to engage services of intermediary institutions for matters in relation to the issuance, and to approve and execute all the acts, deeds, documents and other matters which are necessary, appropriate, desirable or relevant to the issuance; to consider and approve and to execute, for and on behalf of the Company, agreements relating to the issuance, including but not limited to placement and underwriting agreement and engagement agreement of intermediary institutions.
- (7) The Board shall be authorized to consider and approve and to execute, for and on behalf of the Company, the statutory documents relating to the issuance for submission to the relevant regulatory authorities. Pursuant to the requirements of the regulatory authorities and places where the Company is listed, the Company shall implement relevant approval procedures and complete all necessary record, registration and filing procedures with the relevant governmental authorities in Hong Kong and/or other regions and jurisdictions (if applicable).
- (8) The Board and/or its authorized persons shall be authorized to amend, as required by the relevant regulatory authorities within or outside the PRC, the agreements and statutory documents referred to in paragraphs 17(6) and 17(7) above.
- (9) The Board shall be authorized to approve the increase of registered capital of the Company after issuance of new Shares and make amendments to the Articles of Association relating to the total share capital and shareholding structure, etc., and the management shall be authorized to carry out the relevant procedures.
- (10) The Board will only exercise the aforesaid general mandate in accordance with the Company Law and the Hong Kong Listing Rules or all applicable laws, rules and regulations of any other governmental or regulatory authorities and only if all necessary approvals from CSRC and/or other relevant governmental authorities of the PRC are obtained.

For the purpose of this resolution, the “Relevant Period” refers to the period commencing from the passing of this resolution at the AGM to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;

NOTICE OF AGM

- (2) the passing of any resolution at any general meeting of the Company revoking or varying the mandate granted under this resolution.
18. To consider and, if thought fit, approve the proposed grant of general mandate to repurchase H Shares:
- (1) Subject to paragraph 18(2) below, granting of a general mandate to the Board, in compliance with all applicable laws and regulations (as amended from time to time) of the PRC government or securities regulatory authorities, the Hong Kong Stock Exchange or any other government or regulatory authority, to exercise all power of the Company to repurchase H Shares of the Company in issue in order to preserve the value of the Company and the interests of its Shareholders on terms that it deems appropriate during the Relevant Period (as defined below).
 - (2) Subject to obtaining the approval in paragraph 18(1) above, the total number of H Shares to be repurchased under the general mandate to repurchase H Shares during the Relevant Period shall not exceed 10% of the total issued H Shares on the date the resolution is considered and approved at the AGM, A Shareholders Class Meeting and H Shareholders Class Meeting.
 - (3) The approval in paragraph 18(1) above shall be subject to the satisfaction of the following:
 - a. the special resolution with the same terms as listed in this resolution 18 herein (except for this sub-paragraph 18(3)a of resolution 18) is passed at the A Shareholders Class Meeting and H Shareholders Class Meeting;
 - b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.
 - (4) Amending relevant provisions in the Articles of Association based on actual H Share repurchase, cancellation and decrease of the Company's registered capital; notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.
 - (5) Other matters in relation to the repurchase of H Shares.

For the purpose of this resolution, the "Relevant Period" refers to the period commencing from the considering and passing of such resolution in relation to the grant of general mandate to repurchase H Shares at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;

NOTICE OF AGM

- (2) the passing of a special resolution at a general meeting, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this resolution, the “Repurchase Period” for repurchases under the mandate to repurchase H Shares during the Relevant Period refers to the specific period during which the Board repurchases H Shares pursuant to the H Share Repurchase Mandate.

19. To consider and, if thought fit, approve the proposed grant of general mandate to repurchase A Shares:

- (1) Subject to paragraphs 19(2) and (3) below, granting of a general mandate to the Board to repurchase A Shares by way of centralised bidding on terms that it deems appropriate during the Relevant Period (as defined below), including but not limited to the Board, subject to relevant laws and regulations (as amended from time to time), formulating, modifying or terminating A Share repurchase scheme and handling all related matters with full authority. The Board shall have the right to authorise the authorised persons to handle all related matters according to the A Share repurchase scheme considered and approved by the Board with full authority. Such scheme shall be in compliance with all applicable laws and regulations and requirements under the Hong Kong Listing Rules (as amended from time to time), and shall be subject to the consideration and approval at the Board meeting attended by more than two-thirds of the Directors.

- (2) Subject to the approval in paragraph 19(1) above, the Company may repurchase A Shares only under any of the following circumstances:

- a. the Shares shall be used for the employee share ownership scheme or equity incentive scheme;
- b. the Shares shall be used for conversion of corporate bonds which are convertible into shares issued by the Company;
- c. necessary to preserve the value of the Company and the interests of its Shareholders.

of which, paragraph 19(2)c shall be subject to the satisfaction of one of the following conditions:

- (i) the closing price of the A Shares shall be lower than the net asset per share of the latest financial period;
- (ii) the cumulative drop in the closing price of the A Shares for 20 consecutive trading days reaches 30%;

NOTICE OF AGM

- (iii) other conditions set out by the CSRC.
- (3) Subject to obtaining the approval in paragraph 19(1) above, the number of A Shares to be repurchased by the Company under the general mandate to repurchase A Shares during the Relevant Period shall not exceed 10% of the total issued A Shares on the date the resolution is considered and approved at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.
- (4) The approval in paragraph 19(1) above shall be subject to the satisfaction of the following:
- a. the special resolution with the same terms as listed in resolution 19 herein (except for this sub-paragraph 19(4)a of resolution 19) is passed at the A Shareholders Class Meeting and the H Shareholders Class Meeting;
 - b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.
- (5) The A Share repurchase scheme formulated by the Board under the general mandate to repurchase A Shares under paragraph 19(1) above shall include, among others, the Repurchase Period (as defined below), the purpose, method, range of price, amount, capital source and repurchase amount.
- (6) Determining the implementation or termination of A Share repurchase scheme (if any) with consideration of the Company's actual operations, the performance of stock price and other factors.
- (7) Setting up the securities account for repurchase or other relevant securities accounts upon the completion of relevant procedures.
- (8) Handling the cancellation of A Shares not repurchased during the period stipulated by relevant laws and regulations (as amended from time to time) under the repurchase scheme according to the implementation of A Share repurchase scheme formulated according to the general mandate to repurchase A Shares in paragraph 19(1) above, including amending relevant provisions in the Articles of Association, notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.

NOTICE OF AGM

- (9) Other matters in relation to the repurchase of A Shares, except power to be exercised by the general meeting as specified by laws and regulations and regulatory documents.

For the purpose of this resolution, the “Relevant Period” refers to the period commencing from the considering and passing of such resolution in relation to the grant of general mandate to repurchase A Shares at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of a special resolution at a general meeting, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this resolution, the “Repurchase Period” refers to the implementation period of A Share repurchase determined under the A Share repurchase scheme formulated by the Board according to the A Share Repurchase Mandate.

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

Shanghai, the PRC
25 May 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui and Mr. Wen Deyong; 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.

Notes:

1. A holder of H Shares entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend the AGM and vote by poll instead of him/her. A proxy need not be a shareholder. If more than one proxy is so appointed, the appointment shall specify the number of H Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company’s Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 24 hours before the time appointed for the convening of the AGM. Return of the form of proxy will not preclude any holder of H Shares from attending the AGM and voting in person if such shareholder so wishes and in such event, the form of proxy will be deemed to be revoked.

NOTICE OF AGM

3. For the purpose of determining the entitlement of Shareholders to attend and vote at the AGM, the register of holders of H Shares will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive). In order to qualify for attending and voting at the AGM, unregistered holders of H Shares should ensure that all transfer documents for H Shares together with the relevant Share certificates should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 21 June 2023.
4. Shareholders who attend the AGM in person or by proxy shall bear their own travelling and accommodation expenses.
5. This Notice of AGM is dispatched to the holders of H Shares only. The notice of AGM to the holders of A Shares and proxy form are separately published on the websites of the Company (<http://www.fosunpharma.com>) and the Shanghai Stock Exchange (<http://www.sse.com.cn>).

* *for identification purposes only*

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)

NOTICE OF 2023 FIRST H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2023 first H Shareholders class meeting (“**H Shareholders Class Meeting**”) of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**”) will be held immediately after the conclusion of the AGM of the Company and the 2023 first A Shareholders Class Meeting of the Company or any adjournment thereof on Wednesday, 28 June 2023 at Sky Fortune Boutique Hotel Shanghai, No. 358 Hong Xu Road, Shanghai, the PRC for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 25 May 2023 (the “**Circular**”).

SPECIAL RESOLUTIONS

1. To consider and, if thought fit, approve the proposed grant of general mandate to repurchase H Shares:
 - (1) Subject to paragraph 1(2) below, granting of a general mandate to the Board, in compliance with all applicable laws and regulations (as amended from time to time) of the PRC government or securities regulatory authorities, the Hong Kong Stock Exchange or any other government or regulatory authority, to exercise all power of the Company to repurchase H Shares of the Company in issue in order to preserve the value of the Company and the interests of its Shareholders on terms that it deems appropriate during the Relevant Period (as defined below).
 - (2) Subject to obtaining the approval in paragraph 1(1) above, the total number of H Shares to be repurchased under the general mandate to repurchase H Shares during the Relevant Period shall not exceed 10% of the total issued H Shares on the date the resolution is considered and approved at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.
 - (3) The approval in paragraph 1(1) above shall be subject to the satisfaction of the following:
 - a. the special resolution with the same terms as listed in this resolution 1 herein (except for this sub-paragraph 1(3)a of resolution 1) is passed at the AGM and the A Shareholders Class Meeting;

NOTICE OF H SHAREHOLDERS CLASS MEETING

- b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.
- (4) Amending relevant provisions in the Articles of Association based on actual H Share repurchase, cancellation and decrease of the Company's registered capital; notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.
- (5) Other matters in relation to the repurchase of H Shares.

For the purpose of this resolution, the "Relevant Period" refers to the period commencing from the considering and passing of such resolution in relation to the grant of general mandate to repurchase H Shares at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of a special resolution at a general meeting of the Company, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this resolution, the "Repurchase Period" for repurchases under the mandate to repurchase H Shares during the Relevant Period refers to the specific period during which the Board repurchases H Shares pursuant to the H Share Repurchase Mandate.

- 2. To consider and, if thought fit, approve the proposed grant of general mandate to repurchase A Shares:
 - (1) Subject to paragraphs 2(2) and (3) below, granting of a general mandate to the Board to repurchase A Shares by way of centralised bidding on terms that it deems appropriate during the Relevant Period (as defined below), including but not limited to the Board, subject to relevant laws and regulations (as amended from time to time), formulating, modifying or terminating A Share repurchase scheme and handling all related matters with full authority. The Board shall have the right to authorize the authorized persons to handle all related matters according to the A Share repurchase scheme considered and approved by the Board with full authority. Such scheme shall be in compliance with all applicable laws and regulations and requirements under the Hong Kong Listing Rules (as amended from time to time), and shall be subject to the consideration and approval at the Board meeting attended by more than two-thirds of the Directors.

NOTICE OF H SHAREHOLDERS CLASS MEETING

- (2) Subject to the approval in paragraph 2(1) above, the Company may repurchase A Shares only under any of the following circumstances:
- a. the Shares shall be used for the employee share ownership scheme or equity incentive scheme;
 - b. the Shares shall be used for conversion of corporate bonds which are convertible into shares issued by the Company;
 - c. necessary to preserve the value of the Company and the interests of its Shareholders.
- of which, paragraph 2(2)c shall be subject to the satisfaction of one of the following conditions:
- (i) the closing price of the A Shares shall be lower than the net asset per share of the latest financial period;
 - (ii) the cumulative drop in the closing price of the A Shares for 20 consecutive trading days reaches 30%;
 - (iii) other conditions set out by the CSRC.
- (3) Subject to obtaining the approval in paragraph 2(1) above, the number of A Shares to be repurchased by the Company under the general mandate to repurchase A Shares during the Relevant Period shall not exceed 10% of the total issued A Shares on the date the resolution is considered and approved at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.
- (4) The approval in paragraph 2(1) above shall be subject to the satisfaction of the following:
- a. the special resolution with the same terms as listed in resolution 2 herein (except for this sub-paragraph 2(4)a of resolution 2) is passed at the AGM and the A Shareholders Class Meeting;
 - b. all required approvals from regulatory authorities (if applicable) are obtained according to relevant laws and regulations of the PRC.
- (5) The A Share repurchase scheme formulated by the Board under the general mandate to repurchase A Shares under item 2(1) above shall include, among others, the Repurchase Period (as defined below), the purpose, method, range of price, amount, capital source and repurchase amount.

NOTICE OF H SHAREHOLDERS CLASS MEETING

- (6) Determining the implementation or termination of A Share repurchase scheme (if any) with consideration of the Company's actual operations, the performance of stock price and other factors.
- (7) Setting up the securities account for repurchase or other relevant securities accounts upon the completion of relevant procedures.
- (8) Handling the cancellation of A Shares not repurchased during the period stipulated by relevant laws and regulations (as amended from time to time) under the repurchase scheme according to the implementation of A Share repurchase scheme formulated according to the general mandate to repurchase A Shares in paragraph 2(1) above, including amending relevant provisions in the Articles of Association, notifying the creditors of the Company pursuant to requirements under relevant laws and regulations and the Articles of Association and publishing announcements; convening the bondholders' meeting (if applicable); and registering the changes and/or filing and related matters.
- (9) Other matters in relation to the repurchase of A Shares, except power to be exercised by the general meeting as specified by laws and regulations and regulatory documents.

For the purpose of this resolution, the "Relevant Period" refers to the period commencing from considering and passing of such resolution in relation to the grant of general mandate to repurchase A Shares at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the passing of a special resolution at a general meeting of the Company, the A Shareholders class meeting or the H Shareholders class meeting (if applicable) of the Company revoking or varying the general mandate granted under this resolution.

For the purpose of this resolution, the "Repurchase Period" refers to the implementation period of A Share repurchase determined under the A Share repurchase scheme formulated by the Board according to the A Share Repurchase Mandate.

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

Shanghai, the PRC
25 May 2023

NOTICE OF H SHAREHOLDERS CLASS MEETING

As at the date of this announcement, the executive directors of the Company are Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui and Mr. Wen Deyong; 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.

Notes:

1. A holder of H Shares entitled to attend and vote at the H Shareholders Class Meeting is entitled to appoint one or more proxies to attend the H Shareholders Class Meeting and vote by poll instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of H Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 24 hours before the time appointed for the convening of the H Shareholders Class Meeting. Return of the form of proxy will not preclude any holder of H Shares from attending the H Shareholders Class Meeting and voting in person if such shareholder so wishes and, in such event, the form of proxy will be deemed to be revoked.
3. For the purpose of determining the entitlement of Shareholders to attend and vote at the H Shareholders Class Meeting, the register of members of H Shares will be closed from Friday, 23 June to Wednesday, 28 June 2023 (both days inclusive). In order to qualify for attending and voting at the H Shareholders Class Meeting, unregistered holders of H Shares should ensure that all transfer documents together with the relevant share certificates for H Shares should be lodged for registration with the Company's Hong Kong share registrar for H Shares, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 21 June 2023.
4. Shareholders who attend the H Shareholders Class Meeting in person or by proxy shall bear their own travelling and accommodation expenses.
5. This Notice of H Shareholders Class Meeting is dispatched to the holders of H Shares only.

* *for identification purposes only*