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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)**

### **CONNECTED TRANSACTION ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

#### **EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 31 May 2024, Foshan Fosun Chancheng Hospital, a subsidiary of the Company, and Xingshuangjian Investment entered into the Equity Transfer Agreement, pursuant to which Xingshuangjian Investment agreed to sell, and Foshan Fosun Chancheng Hospital agreed to purchase the Target Equity at a consideration of RMB131,146 to be settled in cash. Upon the completion of the Acquisition, the equity interest in the Target held by the Company through Foshan Fosun Chancheng Hospital will increase to 100% from 51% before the Acquisition, and the Target will remain a subsidiary of the Company.

#### **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Xingshuangjian Investment is a subsidiary of Fosun High Tech, the Company's controlling shareholder. As such, Xingshuangjian Investment is an associate of Fosun High Tech, and is a connected person of the Company. Therefore, the proposed transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given the relevant parties to the Equity Transfer Agreement and the relevant parties to the Previous Connected Transactions are all associated with Fosun High Tech and/or its associate, the transaction under the Equity Transfer Agreement and the Previous Connected Transactions shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the highest applicable percentage ratio is, on an aggregated basis, more than 0.1% but less than 5%, pursuant to the Hong Kong Listing Rules, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **A. EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 31 May 2024, Foshan Fosun Chancheng Hospital, a subsidiary of the Company, and Xingshuangjian Investment entered into the Equity Transfer Agreement, pursuant to which Xingshuangjian Investment agreed to sell, and Foshan Fosun Chancheng Hospital agreed to purchase the Target Equity at a consideration of RMB131,146 to be settled in cash. Upon the completion of the Acquisition, the equity interest in the Target held by the Company through Foshan Fosun Chancheng Hospital will increase to 100% from 51% before the Acquisition, and the Target will remain a subsidiary of the Company. The principal terms of the Equity Transfer Agreement are summarized below:

### **Date**

31 May 2024

### **Parties**

- (1) Foshan Fosun Chancheng Hospital
- (2) Xingshuangjian Investment

### **Asset to be acquired**

Pursuant to the Equity Transfer Agreement, Xingshuangjian Investment agreed to sell, and Foshan Fosun Chancheng Hospital agreed to purchase the Target Equity. As at the date of this announcement, the corresponding registered capital of the Target Equity is RMB4.9000 million of the Target, among which RMB3.2585 million has been fully paid-up by Xingshuangjian Investment. The remaining RMB1.6415 million that has not been paid-up will be paid-up by Foshan Fosun Chancheng Hospital in accordance with the articles of association of the Target upon the completion of the Acquisition. The historical acquisition cost to Xingshuangjian Investment with respect to the Target Equity amounted to RMB3.2585 million which was paid towards the capital contribution to the Target.

### **Consideration and its basis of determination**

As at the date of this announcement (prior to the Acquisition), the nursing institution to be operated by the Target is still in the preparatory stage. The consideration of the Acquisition is RMB131,146, which was determined between the parties through arm's length negotiation with reference to the book value of the net asset of the Target of RMB267,645 as at 30 April 2024, based on the unaudited management accounts of the Target for the four months ended 30 April 2024. Such consideration is proposed to be settled with self-raised funds by Foshan Fosun Chancheng Hospital.

## **Payment arrangement**

Within 15 business days following the completion of the industrial and commercial registration for the Acquisition, Foshan Fosun Chancheng Hospital shall pay the consideration for the Acquisition in full in one lump sum to Xingshuangjian Investment.

## **Other terms**

The industrial and commercial registration for the Acquisition should be completed within 7 days after the signing of the Equity Transfer Agreement. From the date of completion of the above-mentioned industrial and commercial registration, the rights and interests of the Target corresponding to the Target Equity, as well as the profits and losses generated, shall be respectively assumed and borne by Foshan Fosun Chancheng Hospital. Obligations and responsibilities of Xingshuangjian Investment as a shareholder of the Target in accordance with the Target's articles of association shall also be fully assumed and borne by Foshan Fosun Chancheng Hospital.

The Equity Transfer Agreement shall take effect from the date of signing by both parties. The Equity Transfer Agreement may be terminated with both parties' consent. Xingshuangjian Investment has the right to terminate the Equity Transfer Agreement if Foshan Fosun Chancheng Hospital fails to pay the consideration as agreed in the Equity Transfer Agreement and the payment is overdue for more than 20 days. Foshan Fosun Chancheng Hospital has the right to require Xingshuangjian Investment to continue to perform or to terminate the Equity Transfer Agreement if Xingshuangjian Investment fails to fulfil its obligation of equity transfer as agreed in the Equity Transfer Agreement and the fulfillment of such obligation is overdue for more than 20 days since the date of its violation.

## **B. BACKGROUND OF THE TARGET**

The Target was incorporated in Foshan, Guangdong Province, in January 2021, and is positioned as a high-end nursing institution with the integration of medical and nursing services, which provides systematic solutions for elderly care, rehabilitation and elderly persons with cognitive disabilities that require professional care services. The Target obtained the license to operate as a medical institution in October 2023, with 100 approved beds and plans to set up a number of departments such as internal medicine department and rehabilitation department. As at the date of this announcement, the nursing institution to be operated by the Target is still in the opening preparation stage, with accomplished preparatory works including construction, interior decoration, acceptance and obtaining license, and is expected to be put into operation in the fourth quarter of 2024.

Set out below is the shareholding structure of the Target before and immediately after the Acquisition:

Shareholders	Before the Acquisition		Immediately after the Acquisition (estimated)	
	Subscribed registered capital (RMB million)	Shareholding percentage	Subscribed registered capital (RMB million)	Shareholding percentage
Foshan Fosun Chancheng Hospital	5.10	51.00%	10.00	100.00%
Xingshuangjian Investment	4.90	49.00%	—	—
Total	<u>10.00</u>	<u>100.00%</u>	<u>10.00</u>	<u>100.00%</u>

Set out below is the related unaudited financial information of Target for the last two financial years ended 31 December 2023:

	For the year ended	
	31 December 2023 (RMB million)	31 December 2022 (RMB million)
Net profit/(loss) before taxation	(1.95)	(2.98)
Net profit/(loss) after taxation	(1.95)	(2.98)

According to the management accounts of the Target (unaudited), as of 30 April 2024, the total assets and total owners' equity of the Target were RMB0.36 million and RMB0.27 million, respectively.

### C. REASONS FOR AND THE BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Foshan Fosun Chancheng Hospital is a tertiary Grade A comprehensive hospital that integrates medical treatment, rehabilitation, scientific research and teaching. The Acquisition aims to deepen the practice and experience accumulation of the healthcare service business of the Group in the integration of medical and nursing services, and is also expected to further strengthen the coverage and support of the professional high-quality medical resources required for the development of the mid to high-end medical and nursing services of the Target. Upon the completion of the Acquisition, the equity interest in the Target held by the Company through Foshan Fosun Chancheng Hospital will increase to 100% from 51% before the Acquisition, and the Target will remain a subsidiary of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable, in the ordinary course of the Group's business and in the interests of the Company and the Shareholders as a whole.

Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui, Mr. Chen Qiyu, Mr. Yao Fung, Mr. Xu Xiaoliang and Mr. Pan Donghui, being Directors who currently take up certain positions in Fosun International and/or its subsidiaries (other than the Group), abstained from voting on the resolution of the Board in respect of the entering into of the Equity Transfer Agreement. The remaining 5 Directors (including 4 independent non-executive Directors) participated in such voting and approved the same unanimously.

#### **D. INFORMATION ON THE GROUP AND THE PARTIES TO THE EQUITY TRANSFER AGREEMENT**

##### **The Group**

The Group is a leading pharmaceutical and healthcare industry group rooted in the PRC and principally engaged in pharmaceutical manufacturing, medical devices, medical diagnosis, healthcare services and pharmaceutical distribution and retail business.

##### **Foshan Fosun Chancheng Hospital**

Foshan Fosun Chancheng Hospital, a limited liability company incorporated in the PRC, is a tertiary Grade A comprehensive hospital that integrates medical treatment, rehabilitation, scientific research and teaching, and is a subsidiary of the Company.

##### **Xingshuangjian Investment**

Xingshuangjian Investment, a limited liability company incorporated in the PRC, is principally engaged in investment management, asset management, industrial investment, investment consulting, etc. It is a subsidiary of Fosun High Tech, the Company's controlling shareholder, and its ultimate beneficial owner is Mr. Guo Guangchang.

#### **E. IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Xingshuangjian Investment is a subsidiary of Fosun High Tech, the Company's controlling shareholder. As such, Xingshuangjian Investment is an associate of Fosun High Tech, and is a connected person of the Company. Therefore, the proposed transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given the relevant parties to the Equity Transfer Agreement and the relevant parties to the Previous Connected Transactions are all associated with Fosun High Tech and/or its associate, the transaction under the Equity Transfer Agreement and the Previous Connected Transactions shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the highest applicable percentage ratio is, on an aggregated basis, more than 0.1% but less than 5%, pursuant to the Hong Kong Listing Rules, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meaning unless the context otherwise specifies:

“A Shares”	the domestic share(s) of the Company with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Acquisition”	the proposed purchase of the Target Equity by Foshan Fosun Chancheng Hospital, at a consideration of RMB131,146 to be settled in cash pursuant to the Equity Transfer Agreement
“Board”	the board of Directors of the Company
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“Equity Interest Transfer Agreements of the GP”	the two transfer agreements dated 21 July 2023 entered into between Fosun High Tech and the Company in relation to the acquisition by the Company from Fosun High Tech of the paid-up equity interest of (1) RMB2.96 million of Suzhou Xingchen Venture Investment Partnership (Limited Partnership)* (蘇州星晨創業投資合夥企業(有限合夥)) and (2) RMB1.48 million of Xingyao (Tianjin) Investment Management Partnership (Limited Partnership)* (星耀(天津)投資管理合夥企業(有限合夥))

“Equity Interest Transfer Agreements of the Target Funds”	the two transfer agreements dated 21 July 2023 entered into between Fosun High Tech and Ningbo Fuying in relation to the acquisition by the Ningbo Fuying from Fosun High Tech of the paid-up equity interest of (1) RMB64.00 million of Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership)* (蘇州復健星熠創業投資合夥企業(有限合夥)) and (2) RMB52.50 million of Tianjin Fosun Haihe Healthcare Industry Fund Partnership (Limited Partnership)* (天津復星海河醫療健康產業基金合夥企業(有限合夥))
“Equity Transfer Agreement”	the Equity Transfer Agreement entered into between Foshan Fosun Chancheng Hospital and Xingshuangjian Investment on 31 May 2024
“Foshan Fosun Chancheng Hospital”	Foshan Fosun Chancheng Hospital Limited* (佛山復星禪誠醫院有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company
“Fosun High Tech”	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a company incorporated in the PRC with limited liability, a subsidiary of Fosun International and the controlling shareholder of the Company
“Fosun International”	Fosun International Limited (復星國際有限公司), whose shares are listed and traded on the Hong Kong Stock Exchange (stock code: 00656)
“Fujian Fund Management Company Equity Transfer Agreement”	the agreement dated 30 October 2023 entered into between the Company and Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司) in respect of the transfer of 40% equity interest in Shanghai Fujian Equity Investment Fund Management Co., Ltd.* (上海復健股權投資基金管理有限公司) held by Shanghai Fosun Health Industry Holding Company Limited to the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed share(s) of the Company with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Ningbo Fuying”	Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company
“PRC”	the People’s Republic of China
“Previous Connected Transactions”	the transactions contemplated under the Equity Interest Transfer Agreements of the Target Funds, Equity Interest Transfer Agreements of the GP, United Health Insurance Share Subscription Agreement, Fujian Fund Management Company Equity Transfer Agreement, Right of First Refusal Waiver Statement and Right of First Refusal Waiver Confirmation
“Right of First Refusal Waiver Statement”	the statement of the waiver of the right of first refusal dated 28 November 2023 issued by the Company to Fosun Group Finance Corporation Limited* (上海復星高科技集團財務有限公司) in respect of the waiver by the Company of the exercise of its right of first refusal with respect to the transfer by Nanjing Iron & Steel United Co., Ltd.* (南京鋼鐵聯合有限公司) of its 9% equity interest in Fosun Group Finance Corporation Limited* (上海復星高科技集團財務有限公司)
“Right of First Refusal Waiver Confirmation”	the confirmation of the waiver of the right of first refusal dated 31 May 2024 issued by Shanghai Futuo to Puling Biomedical (Shenzhen) Co., Ltd.* (普靈生物醫藥(深圳)有限公司) in respect of the waiver by Shanghai Futuo of the exercise of its right of first refusal with respect to the increase in registered capital of RMB1,230,506.79 of Puling Biomedical (Shenzhen) Co., Ltd.* (普靈生物醫藥(深圳)有限公司) (including, among other things, Shanghai Futuo’s waiver of the right of first refusal that it is entitled to in respect of the additional registered capital subscribed by Suzhou Xingsheng Yuanfeng Venture and Investment Partnership (Limited Partnership)* (蘇州星盛園豐創業投資合夥企業(有限合夥)), which constituted a connected transaction of the Company)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Futuo”	Shanghai Futuo Biotech Development Co., Ltd.* (上海復拓生物科技發展有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)



“Target”	Foshan Xinglian Nursing Home Limited* (佛山市星蓮護理院有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company. Prior to the Acquisition, the Company holds 51% equity interest in the Target through Foshan Fosun Chancheng Hospital
“Target Equity”	the 49% equity interest in the Target held by Xingshuangjian Investment prior to the Acquisition
“United Health Insurance Share Subscription Agreement”	the share subscription agreement dated 19 October 2023 entered into between the Company, Guangzhou Nansha Technology Financial Holding Group Limited* (廣州南沙科金控股集團有限公司) and Fosun United Health Insurance Company Limited* (復星聯合健康保險股份有限公司) in relation to, among other things, the subscription of new shares in Fosun United Health Insurance Company Limited* (復星聯合健康保險股份有限公司)
“Xingshuangjian Investment”	Shanghai Xingshuangjian Investment Management Limited* (上海星雙健投資管理有限公司), a company established in the PRC with limited liability, and a subsidiary of Fosun High Tech
“%”	per cent

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

Shanghai, the PRC  
31 May 2024

*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.*

\* For identification purposes only