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FOSUN PHARMA **复星医药**

上海復星醫藥（集團）股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

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

(Stock Code: 02196)

FOSUN 复星

復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

JOINT ANNOUNCEMENT

PROPOSED LISTING OF SHANGHAI HENLIUS ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD POSSIBLE DISCLOSEABLE TRANSACTION

This announcement is made by Fosun Pharma pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Hong Kong Listing Rules.

PROPOSED SHANGHAI HENLIUS LISTING

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that, each of the board of directors of Fosun Pharma and the board of directors of Fosun International considered and approved, among other things, the resolutions in relation to the Proposed Shanghai Henlius Listing on 30 March 2020.

HONG KONG LISTING RULES IMPLICATIONS

Shanghai Henlius was incorporated in the PRC in 2010 and the H Shares of which have been listed on the Main Board of the Hong Kong Stock Exchange since 25 September 2019. As at the date of this announcement, Fosun International (through its shareholding interest in Fosun Pharma) and Fosun Pharma (through its subsidiaries) indirectly own approximately 53.33% of the total issued shares in Shanghai Henlius.

Assuming the maximum issue of the A Shares of Shanghai Henlius pursuant to the Proposed Shanghai Henlius Listing (and assuming the full exercise of the over-allotment option), Fosun Pharma and Fosun International will continue to indirectly hold no less than approximately 41.42% of the issued shares of Shanghai Henlius immediately after the completion of the Proposed Shanghai Henlius Listing, and Shanghai Henlius will remain as a subsidiary of each of Fosun Pharma and Fosun International and will continue to be consolidated in the accounts of Fosun Pharma Group and Fosun International Group.

Pursuant to Rule 14.29 of the Hong Kong Listing Rules, the Proposed Shanghai Henlius Listing, if materializes, will constitute a deemed disposal of the interests of the subsidiary of Fosun Pharma and Fosun International. As one or more applicable percentage ratios in respect of the Proposed Shanghai Henlius Listing are expected to be more than 5% but less than 25%, the Proposed Shanghai Henlius Listing is expected to constitute a possible discloseable transaction of Fosun Pharma and Fosun International under the Hong Kong Listing Rules, and will be subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Fosun Pharma and Fosun International will issue further announcements on the Proposed Shanghai Henlius Listing as and when appropriate and/or in accordance with the applicable requirements of the Hong Kong Listing Rules.

Shareholders of Fosun Pharma and/or Fosun International and potential investors are advised to note that the Proposed Shanghai Henlius Listing is subject to, among other things, the approval of shareholders of Fosun Pharma and shareholders of Shanghai Henlius, the approval of the CSRC and the Shanghai Stock Exchange and market conditions. Accordingly, shareholders of Fosun Pharma and/or Fosun International and potential investors should be aware that there is no assurance that the Proposed Shanghai Henlius Listing will take place or as to when it may take place. Shareholders of Fosun Pharma and/or Fosun International and potential investors should therefore exercise caution when dealing in the securities of Fosun Pharma and/or Fosun International. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

INTRODUCTION

This announcement is made by Fosun Pharma pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Hong Kong Listing Rules.

PROPOSED SHANGHAI HENLIUS LISTING

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that, each of the board of directors of Fosun Pharma and the board of directors of Fosun International considered and approved, among other things, the resolutions in relation to the Proposed Shanghai Henlius Listing on 30 March 2020.

Shanghai Henlius was incorporated in the PRC in 2010 and the H Shares of which have been listed on the Main Board of the Hong Kong Stock Exchange since 25 September 2019 with the stock code of 2696. As at the date of this announcement, Fosun International (through its shareholding interest in Fosun Pharma) and Fosun Pharma (through its subsidiaries) indirectly own approximately 53.33% of the total issued shares in Shanghai Henlius.

RESOLUTION IN RELATION TO THE PROPOSED SHANGHAI HENLIUS LISTING

The detailed plan with regard to the Proposed Shanghai Henlius Listing is as follows:

- (1) **Issuing entity:** Shanghai Henlius.
- (2) **Type of securities to be issued:** RMB ordinary shares (A Shares) to be listed domestically.
- (3) **Par value of shares:** RMB1.00 per A Share.
- (4) **Size of issuance:** The proposed offering size represents not less than 10% and not more than 20% of the enlarged share capital of Shanghai Henlius upon completion of the Proposed Shanghai Henlius Listing, subject to the final number of such A Shares to be registered with the CSRC.

Shanghai Henlius and the lead underwriter(s) can adopt an over-allotment option which cannot exceed 15% of the initial offering size of A Shares of Shanghai Henlius.

All A Shares of Shanghai Henlius will be issued as new shares and will not involve any sale of shares by the existing shareholders of Shanghai Henlius (i.e. transfer of existing shares).

- (5) **Target subscribers:** Price inquiry parties, strategic investors and other qualified investors pursuant to the relevant qualification requirements under the PRC laws and regulations and the regulatory authorities. If the CSRC or the Shanghai Stock Exchange and other regulatory authorities have other requirements, such requirements shall prevail.
- (6) **Issuance price and pricing methodology:** The issuance price will be determined with full consideration of the interest of existing shareholders of Shanghai Henlius and will follow the principles of marketization. It shall also be determined by Shanghai Henlius and the lead underwriter(s) according to the status of PRC securities market at the time of issuance and based on the inquiry results of the eligible consultation participants pursuant to the requirements of national laws and regulations and regulatory authorities, or by other means approved by the CSRC or the Shanghai Stock Exchange.
- (7) **Method of issuance:** To be conducted through a combination of placings to strategic investors, placings offline to participants of the price consultation process, and offering to qualified investors online at a fixed price, or through any other methods of offering which are authorized by the CSRC or the Shanghai Stock Exchange.
- (8) **Place of listing:** Science and Technology Innovation Board.

- (9) **Time of issuance and listing:** Shanghai Henlius will choose an appropriate time for issuance after the approval of the Shanghai Stock Exchange and the registration with the CSRC, and the specific time of issuance will be determined by the board of directors of Shanghai Henlius or its authorized persons as authorized by the shareholders' meeting of Shanghai Henlius after the approval of the Shanghai Stock Exchange and the registration with the CSRC.
- (10) **The use of proceeds of the issuance:** According to the actual situation of Shanghai Henlius, the funds raised from this issuance will be initially considered for biosimilar and innovative drug research and development (R&D) projects, biomedical industrialization base projects and replenishment of working capital after deducting issuance costs (the “**Proceeds Investment Projects**”). Shanghai Henlius may make specific adjustments to the above uses in accordance with market conditions, policy adjustments and the opinions of regulators.

The abovementioned issuance plan is a preliminary plan which is subject to the consideration and approval of the shareholders of Fosun Pharma at the general meeting, the review of the Shanghai Stock Exchange and submission to the CSRC to implement issuance registration procedures.

RESOLUTIONS IN RELATION TO THE AUTHORIZATION TO HANDLE THE MATTERS RELATED TO THE PROPOSED SHANGHAI HENLIUS LISTING

The board of directors of Fosun Pharma has approved the resolution, among other things, to authorize the chairman and/or president of Fosun Pharma, at their absolute discretion, to handle matters in relation to the Proposed Shanghai Henlius Listing. The authorization is valid for 24 months, starting from the date on which the resolutions in relation to the Proposed Shanghai Henlius Listing are considered and approved at the general meeting of Fosun Pharma.

The board of directors of Fosun International has approved the resolution, among other things, that any director and/or the executive committee of the board of directors and/or the company secretary of Fosun International is/(are) authorized to take any appropriate actions in relation to the Proposed Shanghai Henlius Listing.

REASONS AND BENEFITS OF THE PROPOSED SHANGHAI HENLIUS LISTING

Notwithstanding the interest of Shanghai Henlius held by Fosun Pharma and Fosun International will be diluted upon the completion of the Proposed Shanghai Henlius Listing, the listing on the Science and Technology Innovation Board is conducive for Shanghai Henlius to expanding financing channels, connecting with the domestic capital market directly, realizing independent financing and strengthening and expanding the monoclonal antibody drug-related business, so as to improve the overall profitability of Fosun Pharma Group and Fosun International Group in the future. Meanwhile, the listing on the Science and Technology Innovation Board is conducive to realizing value discovery and value creation, strengthening the liquidity of assets of Fosun Pharma Group and Fosun International Group, enhancing their debt repayment capability and reducing the operating risks of Fosun Pharma Group and Fosun International Group.

INFORMATION ABOUT FOSUN PHARMA GROUP, FOSUN INTERNATIONAL GROUP AND SHANGHAI HENLIUS

Fosun Pharma Group is a leading healthcare group in the PRC and primarily engaged in business segments including pharmaceutical manufacturing and R&D, medical devices and medical diagnosis, healthcare services, as well as pharmaceutical distribution and retail.

As an innovation-driven consumer group, Fosun International Group continues to focus on expanding its three business lines — Health, Happiness and Wealth, and enhances its operational capabilities and product competitiveness, in order to maintain a sustainable and healthy growth across its global business. The Health business includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness business includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle; the Wealth business includes three major segments: Insurance, Finance and Investment.

Shanghai Henlius is primarily engaged in R&D, manufacturing and sale of monoclonal antibody drugs and the provision of related technical services.

The extracted financial information of Shanghai Henlius is based on its audited consolidated financial statements (prepared in accordance with International Financial Reporting Standards on a consolidated basis) for the two years ended 31 December 2019:

	For the year ended 31 December 2018	For the year ended 31 December 2019
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	<u>(500,220)</u>	<u>(874,810)</u>
Loss after tax	<u>(504,789)</u>	<u>(875,465)</u>

As at 31 December 2019, the audited net asset value of Shanghai Henlius was approximately RMB4,000.42 million.

PROPOSED USE OF PROCEEDS

According to the actual situation of Shanghai Henlius, the funds raised from the Proposed Shanghai Henlius Listing will be initially considered for biosimilar and innovative drug R&D projects, biomedical industrialization base projects and replenishment of working capital after deducting issuance costs. Shanghai Henlius may make specific adjustments to the Proceeds Investment Projects in accordance with market conditions, policy adjustments and the opinions of regulators.

FINANCIAL IMPACT OF THE PROPOSED SHANGHAI HENLIUS LISTING

After the completion of the Proposed Shanghai Henlius Listing, it is expected that Shanghai Henlius will continue to be a non-wholly owned subsidiary of Fosun Pharma and Fosun International. The Proposed Shanghai Henlius Listing will be accounted for as an equity transaction and will not result in any gain or loss being recognized in the consolidated statement of profit or loss and other comprehensive income of Fosun Pharma and Fosun International.

HONG KONG LISTING RULES IMPLICATIONS

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Assuming the maximum issue of the A shares of Shanghai Henlius pursuant to the Proposed Shanghai Henlius Listing (and assuming the full exercise of the over-allotment option), Fosun Pharma and Fosun International will continue to indirectly hold no less than approximately 41.42% of the issued shares of Shanghai Henlius immediately after the completion of the Proposed Shanghai Henlius Listing, and Shanghai Henlius will remain as a subsidiary of each of Fosun Pharma and Fosun International and will continue to be consolidated in the accounts of Fosun Pharma Group and Fosun International Group.

Pursuant to Rule 14.29 of the Hong Kong Listing Rules, the Proposed Shanghai Henlius Listing, if materializes, will constitute a deemed disposal of the interests of the subsidiary of Fosun Pharma and Fosun International. As one or more applicable percentage ratios in respect of the Proposed Shanghai Henlius Listing are expected to be more than 5% but less than 25%, the Proposed Shanghai Henlius Listing is expected to constitute a possible discloseable transaction of Fosun Pharma and Fosun International under the Hong Kong Listing Rules, and will be subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Fosun Pharma and Fosun International will issue further announcements on the Proposed Shanghai Henlius Listing as and when appropriate and/or in accordance with the applicable requirements of the Hong Kong Listing Rules.

Shareholders of Fosun Pharma and/or Fosun International and potential investors are advised to note that the Proposed Shanghai Henlius Listing is subject to, among other things, the approval of shareholders of Fosun Pharma and shareholders of Shanghai Henlius, the approval of the CSRC and the Shanghai Stock Exchange and market conditions. Accordingly, shareholders of Fosun Pharma and/or Fosun International and potential investors should be aware that there is no assurance that the Proposed Shanghai Henlius Listing will take place or as to when it may take place. Shareholders of Fosun Pharma and/or Fosun International and potential investors

should therefore exercise caution when dealing in the securities of Fosun Pharma and/or Fosun International. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

DEFINITIONS

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

“A Share(s)”	domestic share(s) which is/(are) listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司)
“CSRC”	China Securities Regulatory Commission
“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability and the controlling shareholder of Fosun Pharma
“Fosun International Group”	Fosun International and its subsidiaries
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Fosun Pharma Group”	Fosun Pharma and its subsidiaries
“H Share(s)”	overseas listed share(s) which is/(are) listed on the Hong Kong Stock Exchange and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	Company Law of the People’s Republic of China
“PRC Securities Law”	Securities Law of the People’s Republic of China
“Proposed Shanghai Henlius Listing”	Proposed listing of Shanghai Henlius on the Science and Technology Innovation Board
“RMB”	Renminbi, the lawful currency of the PRC
“Science and Technology Innovation Board”	the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Shanghai Henlius”	Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability and a subsidiary of Fosun Pharma
“Shanghai Stock Exchange”	the Shanghai Stock Exchange* (上海證券交易所)
“%”	per cent

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

By order of the board
Fosun International Limited
Guo Guangchang
Chairman

30 March 2020

As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors are Mr. Xu Xiaoliang and Ms. Mu Haining; and the independent non-executive directors are Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin, Ms. Li Ling and Mr. Tang Guliang.

As at the date of this announcement, the executive directors of Fosun International are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao and Mr. Gong Ping; the non-executive director is Ms. Chen Shucui; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu.

* for identification purposes only