

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or an invitation or a solicitation of any offer to buy or subscribe for any securities in Hong Kong, the United States of America or elsewhere. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The securities described herein have not been and will not be registered under the U.S. Securities Act and will be offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), in reliance on Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of securities in the United States of America or any jurisdiction other than India.*

*Not for release, publication or distribution, in whole or in part, directly or indirectly, in, into or from the United States of America or any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.*

**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 SPIN-OFF AND SEPARATE LISTING OF**  
**GLAND PHARMA LIMITED**  
**ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED**

**THE PROPOSED SPIN-OFF AND SEPARATE LISTING**

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that Fosun Pharma and Fosun International have made a joint application to the Hong Kong Stock Exchange for the approval of the Proposed Spin-off and Separate Listing pursuant to Practice Note 15, and the Hong Kong Stock Exchange has confirmed that Fosun Pharma and Fosun International may proceed with the Proposed Spin-off and Separate Listing.

Fosun Pharma and Fosun International were informed that Gland Pharma (i) has filed the DRHP with the SEBI, the NSE and BSE, in relation to its proposed initial public offering of its Equity Shares on 10 July 2020; and (ii) will apply for the in-principle approval for the listing of its Equity Shares on the NSE and BSE.

## **HONG KONG LISTING RULES IMPLICATIONS**

As it is expected that the highest applicable percentage ratios (as defined in the Hong Kong Listing Rules) in respect of the Proposed Spin-off and Separate Listing would be less than 5%, the Proposed Spin-off and Separate Listing, if it proceeds, will not constitute a notifiable transaction for each of Fosun Pharma and Fosun International under the Hong Kong Listing Rules.

**Shareholders and potential investors of Fosun Pharma and/or Fosun International are advised to note that the Proposed Spin-off and Separate Listing is subject to, among other things, the approvals from the relevant authorities in India, market conditions and other factors. Accordingly, shareholders and potential investors of Fosun Pharma and/or Fosun International should be aware that there is no assurance that the Proposed Spin-off and Separate Listing will take place or as to when it may take place. Shareholders and potential investors of Fosun Pharma and/or Fosun International 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.**

## **I. INTRODUCTION**

This announcement is made by Fosun Pharma and Fosun International pursuant to Practice Note 15.

References are made to the announcements of Fosun Pharma dated 1 November 2019 and 11 May 2020, the Circular and the poll results announcement dated 30 December 2019 in relation to the Proposed Spin-off and Separate Listing. The Proposed Spin-off and Separate Listing was approved by the shareholders of Fosun Pharma at its extraordinary general meeting held on 30 December 2019.

## **II. LISTING APPLICATION**

The board of directors of Fosun Pharma and the board of directors of Fosun International are pleased to announce that Fosun Pharma and Fosun International have made a joint application to the Hong Kong Stock Exchange for the approval of the Proposed Spin-off and Separate Listing pursuant to Practice Note 15, and the Hong Kong Stock Exchange has confirmed that Fosun Pharma and Fosun International may proceed with the Proposed Spin-off and Separate Listing.

Fosun Pharma and Fosun International were informed that Gland Pharma (i) has filed the DRHP with the SEBI, the NSE and BSE, in relation to its proposed initial public offering of its Equity Shares on 10 July 2020; and (ii) will apply for the in-principle approval for the listing of its Equity Shares on the NSE and BSE. When the NSE and BSE officially provide their respective in-principal approvals, the details of each such in-principle approval shall be disclosed in the red herring prospectus which shall be filed with the Registrar of Companies, Telangana, India. The DRHP will be available for viewing and downloading on the websites of NSE (www.nseindia.com), BSE (www.bseindia.com), SEBI (www.sebi.gov.in) and the relevant book running lead managers to Gland Pharma in relation to the Proposed Spin-Off and Separate Listing.

Shareholders and potential investors of Fosun Pharma and/or Fosun International should be aware that the DRHP is in draft form and the information contained therein is subject to change, which may be material.

It is expected that the Proposed Spin-off and Separate Listing will involve an offer for subscription by way of an initial public offering of fresh Equity Shares to be issued by Gland Pharma aggregating up to INR12,500 million and an offer for sale of up to 34,863,635 Equity Shares by the existing shareholders of Gland Pharma. The specific size of issuance (including in the event of over-subscription) will be determined in accordance with the SEBI ICDR Regulations and the applicable SEBI guidelines, rules, regulations and circulars. Following the Proposed Spin-off and Separate Listing, Gland Pharma will remain as a subsidiary of Fosun Pharma and Fosun International.

### **III. WAIVER IN RESPECT OF ASSURED ENTITLEMENT**

Paragraph 3(f) of Practice Note 15 requires Fosun International and Fosun Pharma to have due regard to the interests of their existing shareholders by providing them with an assured entitlement to the Equity Shares, either by way of a distribution in specie of existing Equity Shares, or by way of a preferred application in the offering of existing or fresh Equity Shares (the “**Assured Entitlement**”).

#### **Assured Entitlement to the shareholders of Fosun International**

As advised by the Indian legal adviser to Gland Pharma (“**Indian Legal Adviser**”), due to the legal restrictions under the applicable Indian regulations, any transfer of Equity Shares in the context of the Proposed Spin-off and Separate Listing can only be undertaken by the existing shareholders of Gland Pharma to the public and cannot be made to a pre-determined category of persons. Accordingly, the Assured Entitlement to shareholders of Fosun International cannot be provided by way of distribution in specie under the applicable Indian regulations.

With respect to preferred application in the issuance and offering of Equity Shares, as advised by Indian Legal Adviser, pursuant to the SEBI ICDR Regulations, an issuer company may reserve a portion up to 10% of its securities under an initial public offering for subscription by shareholders (other than promoters and the promoter group) of the listed subsidiaries or listed promoter companies (the “**Qualifying Shareholders**”), and the shares under such reservation, the “**Reserved**

Shares”) on a competitive basis. However, Fosun International cannot ensure the provision of the Assured Entitlement to its shareholders for the following reasons:

- (a) Fosun International will not be classified as a “promoter” of Gland Pharma as Fosun International does not satisfy the promoter identification given the fact that (i) it is indirectly interested in less than majority of the issued share capital of Gland Pharma; (ii) it does not have the right to appoint majority of directors to the board of directors of Gland Pharma under the shareholders agreement entered into between the existing shareholders of Gland Pharma as Fosun International is not a party to such shareholders agreement; and (iii) there are no agreements or arrangements entered into by Gland Pharma which provide Fosun International any management or policy decision making rights in Gland Pharma; and
- (b) based on the fact that Fosun International will not be classified as a promoter of Gland Pharma, under the applicable Indian regulations, Gland Pharma cannot provide the Reserved Shares for subscription by the Qualifying Shareholders of Fosun International.

Upon completion of the Proposed Spin-off and Separate Listing, the Equity Shares will only be listed and traded on the NSE and BSE, and for the reasons and benefits as stated under the section headed “REASONS AND BENEFIT OF THE PROPOSED SPIN-OFF AND SEPARATE LISTING”, the board of directors of Fosun International is of the view that the Proposed Spin-off and Separate Listing is beneficial to Fosun International and in the interests of its shareholders as a whole. Further, the above legal impediments under the applicable Indian regulations could not be overridden even if the shareholders of Fosun International fail to approve the waiver at the general meeting. Therefore, the board of directors of Fosun International considers it to be unduly burdensome for it to convene a general meeting for the purposes of obtaining shareholders’ approval for the waiver of the requirement on Assured Entitlement.

In view of the above legal impediments to provide the Assured Entitlement to the shareholders of Fosun International under the relevant Indian regulations, Fosun International will not provide the Assured Entitlement to its shareholders. Fosun International has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement under Paragraph 3(f) of Practice Note 15.

### **Assured Entitlement to the shareholders of Fosun Pharma**

As advised by the Indian Legal Adviser, due to the legal restrictions under the applicable Indian regulations, any transfer of Equity Shares in the context of the Proposed Spin-off and Separate Listing can only be undertaken by the existing shareholders of Gland Pharma to the public and cannot be made to a pre-determined category of persons. Accordingly, the Assured Entitlement to shareholders of Fosun Pharma cannot be provided by way of distribution in specie under the applicable Indian regulations.

With respect to preferred application in the issuance and offering of Equity Shares, although the Reserved Shares may be available to the Qualifying Shareholders of Fosun Pharma, given the legal restrictions under the applicable laws and regulations of the PRC and India, and the practical difficulties, the Assured Entitlement to the A shareholders and H shareholders of Fosun Pharma by way of preferred application in any offering of existing or fresh Equity Shares will not be feasible based on the following reasons:

- (a) with respect to A shareholders of Fosun Pharma, as advised by PRC legal advisers to Fosun Pharma, (i) due to foreign exchange restrictions of SAFE, the relevant PRC authorities do not accept foreign exchange registrations of PRC domestic institutions or individuals to be engaged in the issuance or trading of overseas securities or derivatives, except for domestic institutions that have obtained approvals or permits to conduct overseas securities investment and other investments (the “**Qualified Domestic Institutional Investors**”) and Qualified Foreign Institutional Investors. To the best knowledge of Fosun Pharma, many of the A shareholders of Fosun Pharma do not meet the criteria of the Qualified Domestic Institutional Investors and only a minimal number of A shareholders of Fosun Pharma are Qualified Foreign Institutional Investors; and (ii) Gland Pharma cannot register with the PRC securities regulatory authorities for the public offering of securities, which to be listed and traded on NSE and BSE, to A shareholders of Fosun Pharma, therefore, the Assured Entitlement cannot be made available to all of Fosun Pharma’s shareholders on an equal basis;
- (b) with respect to the H shareholders of Fosun Pharma, although Gland Pharma may offer the Reserved Shares to the Qualifying Shareholders of Fosun Pharma, given the legal restrictions and practical difficulties as set out below, the Assured Entitlement to the H shareholders of Fosun Pharma will not be practicable:
  - (i) as advised by the Indian Legal Adviser, the investment by the majority of shareholders of Fosun Pharma, who are located in the PRC and Hong Kong, under the Proposed Spin-off and Separate Listing will be subject to prior approval of the Government of India, and Gland Pharma must submit the requisite applications to the relevant authority in India to seek such approval. Further, applications for any such approval would be scrutinised by the Government of India on a case-by-case basis for the consideration of such approval, and in the absence of clear criteria or guidelines as at the date of this announcement, whether the Government of India would grant such approval and the likelihood of it granting such approval cannot currently be ascertained;
  - (ii) even if Gland Pharma is able to obtain the approval for the Qualifying Shareholders to participate in the Proposed Spin-off and Separate Listing, under the applicable Indian regulations, Gland Pharma is not allowed to provide a pre-determined ratio/preferred application in the Proposed Spin-off and Separate Listing to Qualifying Shareholders based on the following reasons:
    - (1) the SEBI ICDR Regulations requires an issuer company undertaking an initial public offering to determine the price of the equity shares through the book-building process, and the final offer price will only be determined upon the completion of the book building process;

- (2) pursuant to the SEBI ICDR Regulations and the relevant SEBI guidelines, the Qualifying Shareholders of Fosun Pharma are required to bid for the Reserved Shares at the floor price or the price band in a lot of shares or multiples thereof as disclosed in the pre-initial public offering advertisement (“**Bid Lots**”). Gland Pharma may determine the minimum number of Equity Shares of a Bid Lot in accordance with the relevant SEBI guidelines. However, it cannot determine the number of Bid Lots that a Qualifying Shareholder can submit in the Proposed Spin-off and Separate Listing; and
  - (3) pursuant to the SEBI ICDR Regulations and relevant SEBI guidelines, Gland Pharma shall only allot its securities to the Qualifying Shareholders of Fosun Pharma, who have submitted valid bids for the Reserved Shares at or above the final offer price so determined upon the completion of the book building process, on a proportionate basis in case of an oversubscription. Accordingly, Gland Pharma cannot pre-determine the entitlement to, or make preferential allocation of, the Reserved Shares to the Qualifying Shareholders of Fosun Pharma;
- (iii) there are practical difficulties under the applicable laws and regulations of India for the provision of the Reserved Shares including, but not limited to, the Qualifying Shareholders being required to open bank accounts and securities accounts with institutions authorised by the relevant competent authorities in India, and deal with foreign exchange matters, which is a time-consuming application process and would incur costs in relation thereto. Therefore, the Qualifying Shareholders, as well as Fosun Pharma and Gland Pharma, would incur extra costs, which might be material to the value that the Qualifying Shareholders might receive from their respective Reserved Shares, and time-consuming administrative work in relation to the application for the Reserved Shares (e.g. government approval, account opening and handling foreign exchange matters). Accordingly, the provision of Reserved Shares to the Qualifying Shareholders is of very limited value.

Upon completion of the Proposed Spin-off and Separate Listing, the Equity Shares will only be listed and traded on the NSE and BSE, and for the reasons and benefits as stated under the section headed “REASONS AND BENEFIT OF THE PROPOSED SPIN-OFF AND SEPARATE LISTING”, the board of directors of Fosun Pharma is of the view that the Proposed Spin-off and Separate Listing is beneficial to Fosun Pharma and in the interests of its shareholders as a whole. Further, the above legal impediments under the applicable laws and regulations of the PRC and India could not be overridden even if the shareholders of Fosun Pharma fail to approve the waiver at the general meeting. Therefore, the board of directors of Fosun Pharma considers it to be unduly burdensome for it to convene a general meeting for the purposes of obtaining shareholders’ approval for the waiver of the requirement on Assured Entitlement.

In view of the above legal impediments to provide the Assured Entitlement to the A shareholders and H shareholders of Fosun Pharma under the relevant laws and regulations of the PRC and India, Fosun Pharma will not provide the Assured Entitlement to its shareholders. Fosun Pharma has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement under Paragraph 3(f) of Practice Note 15.

#### IV. HONG KONG LISTING RULES IMPLICATIONS

As it is expected that the highest applicable percentage ratios (as defined in the Hong Kong Listing Rules) in respect of the Proposed Spin-off and Separate Listing would be less than 5%, the Proposed Spin-off and Separate Listing, if it proceeds, will not constitute a notifiable transaction for each of Fosun Pharma and Fosun International under the Hong Kong Listing Rules.

#### V. REASONS AND BENEFIT OF THE PROPOSED SPIN-OFF AND SEPARATE LISTING

The Proposed Spin-off and Separate Listing is conducive to the business development of Fosun International and Fosun Pharma, and will provide a separate fund-raising platform for Gland Pharma.

The Proposed Spin-off and Separate Listing, essentially separates the businesses of Fosun International and Fosun Pharma from the business of Gland Pharma, which will enable investors and financiers to appraise the strategies, success factors, functional exposure, risks and returns of the businesses of Fosun International, Fosun Pharma and Gland Pharma separately and to make or refine their investment decisions accordingly. It will also allow the management teams of Fosun International, Fosun Pharma and Gland Pharma to focus more effectively on their respective business with clearly delineated business objective. Further, the Proposed Spin-off and Separate Listing will increase the operational and financial transparency and improve corporate governance, which is expected to provide investors, financial institutions and rating agencies with greater clarity on the businesses and financial status of Gland Pharma, Fosun International and Fosun Pharma on a standalone basis, and such improvements will help to build investor confidence in forming investment decisions based on their assessment of the performance, management, strategy, risks and returns of Gland Pharma, as well as Fosun International and Fosun Pharma.

After taking the above reasons into account, the boards of directors of each of Fosun International and Fosun Pharma believe that the Proposed Spin-off and Separate Listing and not providing the Assured Entitlement to the shareholders of Fosun International and Fosun Pharma are fair and reasonable and in the interests of Fosun International, Fosun Pharma and their respective shareholders as a whole.

Further announcements will be made by Fosun Pharma and/or Fosun International in respect of the Proposed Spin-off and Separate Listing as and when appropriate.

**Shareholders and potential investors of Fosun Pharma and/or Fosun International are advised to note that the Proposed Spin-off and Separate Listing is subject to, among other things, the approvals from the relevant authorities in India, market conditions and other factors. Accordingly, shareholders and potential investors of Fosun Pharma and/or Fosun International should be aware that there is no assurance that the Proposed Spin-off and Separate Listing will take place or as to when it may take place. Shareholders and potential investors of Fosun Pharma and/or Fosun International 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.**

## VI. DEFINITIONS

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

“BSE”	BSE Limited, an Indian stock exchange located in Mumbai
“Circular”	the circular of Fosun Pharma dated 12 November 2019
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“DRHP”	the draft red herring prospectus of Gland Pharma dated 10 July 2020 in relation to the proposed initial public offering of its Equity Shares
“Equity Shares”	equity shares of face value of INR1.00 each of Gland Pharma
“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose shares are listed and traded on the Main Board of the Hong Kong Stock Exchange and the controlling shareholder of Fosun Pharma
“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
“Gland Pharma”	Gland Pharma Limited, a company incorporated in India and a subsidiary of Fosun Pharma and Fosun International
“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
“India”	The Republic of India
“INR”	Indian Rupees, the lawful currency of India
“NSE”	National Stock Exchange of India Limited, an Indian stock exchange located in Mumbai

“Practice Note 15”	Practice Note 15 of the Hong Kong Listing Rules
“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 Region
“Proposed Spin-off and Separate Listing”	the proposed spin-off of Gland Pharma by way of an initial public offering of its Equity Shares and overseas listing on the NSE and BSE
“SAFE”	State Administration of Foreign Exchange of the PRC
“SEBI”	the Securities and Exchange Board of India
“SEBI ICDR Regulations”	the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“%”	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*

10 July 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 of Fosun Pharma are Mr. Xu Xiaoliang, Mr. Gong Ping and Mr. Pan Donghui; and the independent non-executive directors of Fosun Pharma 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 directors of Fosun International are Ms. Chen Shucui and Mr. Zhuang Yuemin; and the independent non-executive directors of Fosun International are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu.*

\* for identification purposes only