

*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.*

*This announcement is not, and does not form any part of, an offer or invitation for the sale of securities in the United States (including its territories and dependencies, any State of the United States and the District of Columbia) or to, or for the account or benefit of any “U.S. persons” (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)). Neither this announcement nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into the United States. The securities have not been and will not be registered under the Securities Act, and may not be offered, sold or otherwise transferred within the “United States” (as defined in Regulation S under the Securities Act) or to, or for the account or benefit of, U.S. persons unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Company does not intend to make any public offering of securities in the United States.*

## **FOSUNPHARMA** **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)**

### **PLACING OF H SHARES UNDER GENERAL MANDATE AND CONNECTED TRANSACTION IN RELATION TO THE APPOINTMENT OF A PLACING AGENT**

**Placing Agent and Sole Global Coordinator**

## **Morgan Stanley**

**Placing Agents and Joint Bookrunners**



**FOSUNHANI**  
**复星恒利**

#### **PLACING OF H SHARES UNDER GENERAL MANDATE**

On 17 May 2017, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best effort basis, of the Placing Shares at the Placing Price of HK\$28.80 per H Share (exclusive of brokerage, if any).

The Placing Shares comprise 80,656,500 H Shares to be allotted and issued by the Company under the General Mandate. As at the date of this announcement, no H Shares have been allotted and issued pursuant to the General Mandate.

The Placing Shares represent approximately 20.00% and 3.34%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 3.23%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the issue of the Placing Shares.

The Placing Agents will place the Placing Shares to not less than six Placees who are professional, institutional and/or other investors on a best effort basis, subject to termination in certain events, as set out below under the heading “Conditions of the Placing”.

The net proceeds of the Placing will be approximately HK\$2,306.65 million. The Company intends to use the net proceeds from the Placing of the Placing Shares to repay interest-bearing debts, replenish the working capital of the Group, and finance potential mergers and acquisitions domestically or overseas.

The Company has received the CSRC Approval for the issue and sale of the Placing Shares.

**As completion of the Placing is subject to certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

#### **CONNECTED TRANSACTION IN RELATION TO THE APPOINTMENT OF A PLACING AGENT**

Fosun Hani, one of the Placing Agents, is a wholly-owned subsidiary of Fosun International. Since Fosun International is an indirect controlling shareholder of the Company, Fosun Hani is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the engagement of Fosun Hani’s services as a Placing Agent in consideration of placing commission under the Placing Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As all of the percentage ratios (other than the profits ratio) are less than 0.1%, the connected transaction is exempt from the reporting, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

#### **THE PLACING AGREEMENT**

**Date:** 17 May 2017

**Parties:** (i) The Company  
(ii) The Placing Agents

## **PLACING**

Pursuant to the Placing Agreement, the Placing Agents have severally (but not jointly nor jointly and severally) agreed to act as the agents for the Company to procure, on a best effort basis, professional, institutional and/or other investors to subscribe for 80,656,500 Placing Shares.

## **INDEPENDENCE OF THE PLACING AGENTS**

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries:

- (1) Fosun Hani is a wholly-owned subsidiary of Fosun International. Fosun International is an indirect controlling shareholder of the Company. Fosun Hani is therefore a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. The Hong Kong Listing Rules implications of the aforesaid will be elaborated in the section headlined "Connected Transaction in relation to Appointment of Placing Agent" below; and
- (2) Each of the Placing Agents, other than Fosun Hani, and their respective ultimate beneficial owners, is not a connected person of the Company and is independent of and not connected with any connected person of the Company.

## **PLACEES**

The Placing Agents will place the Placing Shares to not less than six Placees who are professional, institutional and/or other investors. The Placing Agents will not, as far as they are aware, place any of the Placing Shares to any connected person of the Company. It is expected that none of the individual Placees will become a Substantial Shareholder immediately after the completion of the Placing.

## **NUMBER OF PLACING SHARES**

The Placing Shares comprise 80,656,500 H Shares to be issued and allotted by the Company.

The Placing Shares represent approximately 20.00% and 3.34%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 3.23%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the issue of the Placing Shares.

The aggregate nominal value of the Placing Shares will be RMB80,656,500 (equivalent to approximately HK\$91,303,158, at the exchange rate of RMB1 = HK\$1.132, being the exchange rate prevailing on 16 May 2017).

## **PLACING PRICE**

The Placing Price of HK\$28.80 per H Share (exclusive of brokerage, if any) represents:

- (i) a discount of approximately 7.25% to the closing price of HK\$31.05 per H Share as quoted on the Stock Exchange on 16 May 2017, being the last trading day prior to the entering into of the Placing Agreement;
- (ii) a discount of approximately 5.79% to the average closing price of HK\$30.57 per H Share as quoted on the Stock Exchange for the last five trading days up to and including 16 May 2017; and
- (iii) a discount of approximately 4.21% to the average closing price of HK\$30.065 per H Share as quoted on the Stock Exchange for the last 10 trading days up to and including 16 May 2017.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents and has taken into account recent market prices of the H Shares and the current market conditions.

## **CONDITIONS OF THE PLACING**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares and other conditions having been fulfilled or waived.

If any of such conditions shall not have been fulfilled or waived by the Placing Agents by 8:00 a.m. (Hong Kong time) on the Closing Date, or such other date as the Company and the Placing Agents may agree, except as otherwise provided in the Placing Agreement, the obligations and liabilities of the Placing Agents and the Company under the Placing shall be null and void and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise.

## **TERMINATION**

The Placing Agreement may be terminated by the Placing Agents, without liability to the Company, by giving written notice to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date, in accordance with the terms thereof, such as on the grounds of breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement or the occurrence of certain force majeure events.

## **COMPLETION OF THE PLACING**

The Placing is expected to be completed on the Closing Date.

As completion of the Placing is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

## SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company as at the date of the Placing Agreement and immediately after completion of the Placing on the Closing Date:

Name of Shareholder	As at the date of the Placing Agreement		On the Closing Date	
	No. of Shares	Approximate percentage of total issued A Shares or H Shares (%)	No. of Shares (maximum)	Approximate percentage of total issued share capital (%)
<b>A SHARES</b>				
Total issued A Shares	2,011,190,545	100.00	2,011,190,545	80.60
<b>H SHARES</b>				
Placees	—	—	80,656,500	3.23
Other Public H Shareholders	<u>403,284,000</u>	<u>100.00</u>	<u>403,284,000</u>	<u>16.16</u>
Total issued H Shares	<u>403,284,000</u>	<u>100.00</u>	<u>483,940,500</u>	<u>19.40</u>
<b>TOTAL ISSUED SHARES</b>	<u><u>2,414,474,545</u></u>		<u><u>2,495,131,045</u></u>	<u><u>100.00</u></u>

## LOCK-UP UNDERTAKING

The Company has undertaken to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents; provided that the foregoing restrictions shall not be applicable to any existing employee or similar option scheme or grant of options thereunder or exercise of such options.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be issued and allotted by the Company pursuant to the General Mandate. Pursuant to the General Mandate, the Directors are authorized to allot and issue up to 80,656,800 H Shares. As at the date of this announcement, the Company has not issued any H Shares pursuant to the General Mandate. The issue and sale of the Placing Shares were approved by the CSRC on 15 November 2016.

## **REGULATORY AND CORPORATE APPROVALS**

The Company has obtained all necessary PRC regulatory approvals for the Placing, being the CSRC Approval, as well as the necessary corporate approvals, being the General Mandate and the relevant Board approval. The Placing is not subject to the approval of the Shareholders.

## **RANKING OF THE PLACING SHARES**

The Placing Shares will rank *pari passu* in all respects with the existing H Shares in issue as at the Closing Date, including the right to receive all dividends and distributions declared, made or paid on or after the date of issue of the Placing Shares.

## **REASONS FOR THE PLACING**

The Directors consider that the placing of the Placing Shares represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company.

The Directors are of the view that the terms of the Placing Agreement (including the placing fee and Placing Price) are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The net proceeds (after deducting all applicable costs and expenses, including commission, legal fees and levies) of approximately HK\$2,306.65 million from the Placing of the Placing Shares is intended to be used to repay interest-bearing debts, replenish the working capital of the Group, and finance potential mergers and acquisitions domestically or overseas. The net price (after deducting all applicable costs and expenses, including commission, legal fees and levies) raised per H Share upon completion of the Placing will be approximately HK\$28.60.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Approximate net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
9 November 2016	Completion of the non-public issuance of A Shares	RMB2,275,249,558.22	Repayment of interest-bearing debts and the remaining proceeds are intended to be used for replenishment of working capital	Repayment of interest-bearing debts and the remaining proceeds are intended to be used for replenishment of working capital

Save as disclosed above, there has not been any equity fund raising activity of the Company in the 12 months preceding the date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

## **CONNECTED TRANSACTION IN RELATION TO THE APPOINTMENT OF A PLACING AGENT**

Fosun Hani, one of the Placing Agents, is a wholly-owned subsidiary of Fosun International. Since Fosun International is an indirect controlling shareholder of the Company, Fosun Hani is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the engagement of Fosun Hani's services as a Placing Agent in consideration of placing commission under the Placing Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As all of the percentage ratios (other than the profits ratio) are less than 0.1%, the connected transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below shall have the following meanings:

“A Share(s)”	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“Closing Date”	the Business Day after the date on which the conditions to completion of the Placing as set out in the Placing Agreement are fulfilled but in any event no later than 24 May 2017, or such other date as the Company and the Placing Agents may agree in writing
“CMBI”	CMB International Capital Limited
“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 Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CSRC Approval”	the approval issued by the CSRC to the Company, approving the issue and allotment of not more than 80,656,800 new H Shares
“Director(s)”	the director(s) of the Company
“Fosun Hani”	Fosun Hani Securities Limited, a company duly incorporated in Hong Kong and a wholly-owned subsidiary of Fosun International
“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), the indirect controlling shareholder of the Company



“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 7 June 2016 to allot, issue, and/or deal with additional H Shares not exceeding 20% of its H Shares in issue as at 7 June 2016
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, a company duly incorporated in United Kingdom
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placement of Placing Shares pursuant to the Placing Agreement
“Placing Agents”	Morgan Stanley, CMBI and Fosun Hani
“Placing Agreement”	the placing agreement entered into on 17 May 2017 between the Company and the Placing Agents in respect of the Placing
“Placing Price”	the price payable for the Placing Shares at HK\$28.80 per H Share
“Placing Shares”	80,656,500 H Shares
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shares”	A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Substantial Shareholder” has the meaning ascribed to it under the Listing Rules

“%” per cent

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

Shanghai, People’s Republic of China  
17 May 2017

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

\* *for identification purposes only*