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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)

VOLUNTARY ANNOUNCEMENT

THE ENTERING INTO OF THE JV CONTRACT

This announcement is made on a voluntary basis by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”).

On 29 September 2016, the Company entered into a joint venture contract (the “**JV Contract**”) with Intuitive Surgical SARL (“**Intuitive**”) in respect of the proposed establishment of a joint venture company, Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司) (tentative name, subject to the final approval of the relevant registration authority) (the “**JV Company**”), in the People's Republic of China (the “**PRC**” or “**China**”). As each of the percentage ratios under Chapter 14 of the Rules Governing the Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in respect of the establishment of the JV Company is no more than 5%, the information contained in this announcement is made by the Company on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest development of the Group's businesses.

JV CONTRACT

On 29 September 2016, the Company entered into the JV Contract with Intuitive in relation to the proposed establishment of the JV Company in the PRC. The major terms of the JV Contract are summarised as follows:

1. Date

29 September 2016

2. Parties

- (1) the Company; and
- (2) Intuitive.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, Intuitive (and its beneficial owner(s)) are independent third parties of the Company and are not its connected persons (as defined under the Hong Kong Listing Rules).

3. Registered Capital and Proportion of Capital Contribution

The registered capital of the JV Company will be US\$100 million. The Company shall contribute in cash in RMB of the amount equivalent to US\$40 million (calculated at the middle exchange rate of RMB to US Dollar as announced by the People's Bank of China on the date of contribution), representing 40% of the registered capital of the JV Company, while Intuitive shall contribute in cash in the amount of US\$60 million, representing 60% of the registered capital of the JV Company.

4. Effective Date of the JV Contract and Term of Operation of the JV Company

The effective date (the “**Effective Date**”) of the JV Contract shall be the date on which it has been filed with the Shanghai Municipal Bureau of Commerce (“**Shanghai MOFCOM**”) and/or the China (Shanghai) Pilot Free Trade Zone Administration (“**Shanghai FTZ Administration**”). The term of operation of the JV Company shall be 30 years from the date on which its business license is issued, unless it is terminated earlier or extended in accordance with the terms of the JV Contract.

5. Conditions Precedent

The contribution obligation of the parties under the JV Contract shall be conditional upon the fulfillment of the following conditions precedent:

- (1) the JV Contract and the articles of association of the JV Company has been executed by the relevant parties thereto, and the filing with Shanghai MOFCOM and/or Shanghai FTZ Administration has been completed;
- (2) the establishment of the JV Company, the JV Contract and the articles of association of the JV Company as well as the relevant matters have been approved by the relevant PRC government authorities and administrative agencies;
- (3) the JV Company has obtained its business license;
- (4) the relevant operation agreements have been duly executed by the parties and become effective; and

- (5) the JV Company has obtained a Medical Device Manufacturing Permit and a Operation Permit for Medical Device issued by the State Food and Drug Administration or its Shanghai branch.

In the event that any one of the above-mentioned conditions precedent in items (1) to (3) fails to be substantially fulfilled within 150 days after the Effective Date, which is not waived or extended by the parties to the JV Contract in writing, either party shall have the right to terminate the JV Contract. Under such circumstance, neither party shall have the right to require capital contribution of or claim for damages against the other party.

6. Board of Directors

The board of directors of the JV Company shall consist of five directors, two of which shall be appointed by the Company, while the other three shall be appointed by Intuitive. The board of directors of the JV Company has one chairman and one vice chairman, and the chairman shall be acted by a director to be appointed by Intuitive while the vice chairman shall be acted by a director to be appointed by the Company.

7. Non-competition Obligation

- (1) The Company and its affiliates (as defined in the JV Contract) shall not, directly or indirectly, engage in any core businesses (including core products and competitive businesses) that are identical to or similar with that of the JV Company within the territory (i.e. the PRC, for the purpose of the JV Contract, excluding Taiwan) (the “**Territory**”) for the period from the Effective Date to the date of the fifth anniversary of the termination of the JV Contract, except that the existing distribution agreement entered into between Chindex Medical Limited, the Company’s subsidiary, and Intuitive in relation to the da Vinci Surgical System distribution business will continue to be valid until such business is integrated into the JV Company or terminated in accordance with the terms of the distribution agreement.
- (2) From the Effective Date to the fifth anniversary of the termination of the JV Contract, Intuitive and its affiliates (as defined in the JV Contract) shall not manufacture or source products that manufactured by the JV Company other than from the JV Company, and shall not manufacture, sell or engage in any activities regarding any products that compete with those manufactured by the JV Company within the Territory. However, in the event that the JV Company is prevented from supplying adequate quantities of products due to force majeure event, subject to the parties’ consent, Intuitive has the option to establish an alternative supply chain through its affiliates.
- (3) In relation to certain products:
 - (i) in the event that the existing da Vinci Surgical System distribution business of the Group is integrated into the business of the JV Company, Intuitive shall grant to the JV Company an exclusive distribution right for certain products within the Territory;

- (ii) in the event that Intuitive or its affiliates negotiates with any third party suppliers in relation to the supply of any similar products developed by them that have significant architectural difference to the products manufactured by the JV Company (the “**Differentiated Products**”), the JV Company shall be entitled to the pre-emptive rights enjoyed by the suppliers;
- (iii) in the event that Intuitive or its affiliates negotiates with any third party manufacturer in relation to the components of the Differentiated Products, the JV Company shall be entitled to the pre-emptive rights enjoyed by the manufactures.

8. Governing Laws

The JV Contract shall be governed by the PRC laws. In the event that there is no provisions under the PRC laws governing the matters as set out in the JV Contract, reference shall be made to the prevailing international practice.

GENERAL

The Group, as a leading pharmaceutical and healthcare group in the PRC, is principally engaged in the manufacture and research and development of pharmaceutical products, provision of medical services, medical diagnosis and distribution and retail of medical devices and pharmaceutical products.

Intuitive, incorporated in Switzerland, is a wholly-owned subsidiary of Intuitive Surgical, Inc. (“**Intuitive Surgical**”). Intuitive Surgical was established in 1995 and is listed on the NASDAQ Stock Market in the U.S.A. (NASDAQ: ISRG). Intuitive Surgical is the global leader in the field of robotic-assisted minimally invasive surgery. Intuitive Surgical develops, manufactures and markets the da Vinci Surgical System. Currently, this product produced by Intuitive Surgical has been exported to North America, South America, the Europe, Middle East, Australia and Asia.

Reasons and Benefits for Entering into the JV Contract

Intuitive Surgical is a global leading company in respect of the research and development, manufacture and market in the field of minimally invasive surgery robot. The Group has outstanding achievement in the field of surgery robot distribution within the Territory. The Group will benefit from entering into the JV Contract by realizing philosophical fusion, resource matching and complementary advantages with Intuitive Surgical, so as to boost the improvement and development of the medical device business of the Group.

Shareholders and potential investors of the Company should note that the transactions contemplated under the JV Contract are still subject to filing with Shanghai MOFOM and/or Shanghai FTZ Administration and approval of the relevant registration authorities. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Shanghai, the PRC
29 September, 2016

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*