

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.

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)

**CONNECTED TRANSACTION
FORMATION OF A NEW COMPANY**

JOINT VENTURE CONTRACT

The Board announces that, on 27 April 2017, Fosun Pingyao, a wholly owned subsidiary of the Company, Xingxin Investment, Fosun Golden entered into the Joint Venture Contract. Under the Joint Venture Contract, Fosun Pingyao, Xingxin Investment and Fosun Golden agreed to establish the New Company in Shanghai, PRC. The registered capital of the New Company is RMB500 million, of which Fosun Pingyao shall hold 20%, Xingxin Investment shall hold 60% and Fosun Golden shall hold 20% of the equity interests.

HONG KONG LISTING RULES IMPLICATIONS

As Xingxin Investment, Fosun Golden and Fosun High Tech, the controlling shareholder of the Company, are directly or indirectly controlled by Fosun International, therefore, Xingxin Investment and Fosun Golden constitute the associates of Fosun High Tech, such that Xingxin Investment and Fosun Golden constitute the connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Joint Venture Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given parties to the Joint Venture Contract are the same connected persons as the parties to the Equity Purchase and Contribution Agreement dated 25 January 2017 and the Capital Increase Agreement dated 7 July 2016 entered into with the Company (information of which is set out in the announcement of the Company dated 25 January 2017, and the joint announcement of the Company and Fosun International dated 7 July 2016), the Joint Venture Contract, Equity Purchase and Contribution Agreement and Capital Increase Agreement shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the percentage ratio applicable to the sum of the transactions contemplated under the Joint Venture Contract, Equity Purchase and Contribution Agreement and Capital Increase Agreement on an annual basis is more than 0.1% but less than 5%, according to the Hong Kong Listing Rules, the transaction contemplated under the Joint Venture Contract is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

A. JOINT VENTURE CONTRACT

On 27 April 2017, Fosun Pingyao, a wholly owned subsidiary of the Company, Xingxin Investment and Fosun Golden, entered into the Joint Venture Contract. Under the Joint Venture Contract, Fosun Pingyao, Xingxin Investment and Fosun Golden agreed to establish the New Company in Shanghai, PRC. Both of the total investment and the registered capital of the New Company are RMB500 million, of which Fosun Pingyao shall hold 20%, Xingxin Investment shall hold 60% and Fosun Golden shall hold 20% of the equity interests of the New Company, respectively. The principal terms of the Joint Venture Contract are set out below:

Date

27 April 2017

Parties

- (1) Fosun Pingyao;
- (2) Xingxin Investment; and
- (3) Fosun Golden

Fosun Pingyao agreed to make capital contribution into the New Company in the amount of RMB100 million in cash, representing 20% of the registered capital of the New Company. Xingxin Investment agreed to make capital contribution into the New Company in the amount of RMB300 million in cash, representing 60% of the registered capital of the New Company. Fosun Golden agreed to make capital contribution into the New Company in cash equivalent to RMB100 million, representing 20% of the registered capital of the New Company. The business scope of the New Company includes financial lease, leasing business, purchasing leased assets from domestic and

foreign markets, factoring business, disposal of impairment and maintenance of leased assets, consulting of the leasing transaction. Following the establishment of the New Company, it will not become a subsidiary of the Company.

Consideration

The total consideration under the Joint Venture Contract to be paid by Fosun Pingyao is RMB100 million as agreed between the parties to the Joint Venture Contract following an arm's-length and amicable negotiation, which shall be settled within 10 working days from the issue date of the business licence of the New Company.

The investment amount under the Joint Venture Contract to be paid by Fosun Pingyao will be funded by its self-raised funds.

Board Composition of the New Company

The board of directors of the New Company shall comprise 5 directors, of which 2 directors shall be appointed by Xingxin Investment, 2 directors shall be appointed by Fosun Pingyao and 1 director shall be appointed by Fosun Golden. The chairman of the board of directors of the New Company shall be elected by the board of directors of the New Company and the chairman of the first session to be appointed by Xingxin Investment.

The Effectiveness of Joint Venture Contract

The Joint Venture Contract shall become effective from the date of the common seal being affixed by each of the parties and being approved by the competent PRC government approval authorities.

Applicable Law

The Joint Venture Contract shall be governed by and construed in accordance with the PRC law.

B. REASON FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE CONTRACT

The entering into the Joint Venture Contract shall benefit to facilitate the sales of the medical devices products of the Group and to enhance the consolidated competitiveness of the Group, and may also provide financial lease services and an overall procurement solution to the Group's medical institutions.

The Directors (including the independent non-executive directors) consider that terms of the Joint Venture Contract are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Chen Qiyu, Mr. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can, who are related directors, have abstained from voting on the relevant resolutions of the Board in respect of the transaction contemplated under the Joint Venture Contract, the 6 remaining Directors (including 4 independent non-executive directors) of the Board participated in the voting and approved unanimously.

C. INFORMATION ABOUT THE PARTIES

Fosun Pingyao

Fosun Pingyao is a company incorporated in PRC with limited liability, and a wholly owned subsidiary of the Company. Fosun Pingyao is mainly engaged in investment management.

Xingxin Investment

Xingxin Investment is a company incorporated in PRC with limited liability, and its 100% equity interest indirectly is held by Fosun International, the indirect controlling shareholder of the Company. Xingxin Investment is mainly engaged in investment management and investment consulting, excluding brokerage.

Fosun Golden

Fosun Golden is a company incorporated in Hong Kong with limited liability, and its 100% equity interest is indirectly held by Fosun International, the indirect controlling shareholder of the Company. Fosun Golden is mainly engaged in investment holding.

The Group

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

D. HONG KONG LISTING RULES IMPLICATIONS

As Xingxin Investment, Fosun Golden and Fosun High Tech, the controlling shareholder of the Company, are directly or indirectly controlled by Fosun International, Xingxin Investment and Fosun Golden constitute the associates of Fosun High Tech, such that Xingxin Investment and Fosun Golden constitute the connected persons of the Company under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Joint Venture Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given the parties to the Joint Venture Contract are the same connected persons as the parties to the Equity Purchase and Contribution Agreement dated 25 January 2017 and the Capital Increase Agreement dated 7 July 2016 entered into with the Company (information of which is set out in the announcement of the Company dated 25 January 2017, and the joint announcement of the Company and Fosun International dated 7 July 2016), Joint Venture Contract, Equity Purchase and Contribution Agreement and Capital Increase Agreement shall be aggregated pursuant to Rule 14A.81 of the Hong Kong Listing Rules. As the percentage ratio applicable to the sum of the transactions contemplated under the Joint Venture Contract, Equity Purchase and Contribution Agreement and Capital Increase Agreement on an annual basis is more than 0.1% but less than 5%, according to the Hong Kong Listing Rules, the transaction contemplated under the Joint Venture Contract is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Shareholders and potential investors of the Company should note that the transaction contemplated under the Joint Venture Contract is still subject to approval of or filing with the competent PRC foreign investment authorities. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

E. DEFINITION

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

“A Share(s)”	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
“Board”	the board of Directors of the Company
“Capital Increase Agreement”	capital increase agreement dated 7 July 2016 entered into by, among others, the Company, details of which are set out in the joint announcement of the Company and Fosun International dated 7 July 2016
“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

“Directors”	the directors of the Company
“Equity Purchase and Contribution Agreement”	the equity purchase and contribution agreement dated 25 January 2017 entered into between Fosun Industrial Co., Limited, Fosun Industrial Holdings Limited, PMB RESP Holdings, LLC, PBM Capital Investments, LLC and Goldcup 14112 AB, details of which are set out in the announcement of the Company dated 25 January 2017
“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
“Fosun High Tech”	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a limited liability company established in the PRC, the controlling shareholder of the Company
“Fosun Golden”	Fosun Golden Corona Finance Company Limited, a company incorporated in Hong Kong with limited liability that is indirectly wholly owned by Fosun International
“Fosun Pingyao”	Shanghai Fosun Pingyao Investment Management Company Limited* (上海復星平耀投資管理有限公司), a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign 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”	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
“Joint Venture Contract”	the sino-foreign joint venture contract dated 27 April 2017 entered into between Fosun Pingyao, Xingxin Investment and Fosun Golden in relation to the establishment of New Company

“New Company”	Fosun Healthcare Financial Lease (Shanghai) Co., Ltd.* (復星康健融資租賃(上海)有限公司) (temporary company name, subject to the approval of relevant registration authorities), a company incorporated under the PRC law with limited liability
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	A Share(s) and H Share(s)
“Xingxin Investment”	Shanghai Xingxin Investment Management Company Limited* (上海星鑫投資管理有限公司), a company registered under the PRC law with limited liability, and is indirectly and wholly controlled by Fosun International
“%”	per cent

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

Shanghai, the People’s Republic of China
27 April 2017

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

* for identification purposes only