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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)

PROPOSED ADOPTION OF RSU SCHEME BY A SUBSIDIARY

PROPOSED ADOPTION OF THE SISRAM RSU SCHEME

The Board announces that Sisram Board approved the proposed adoption of the Sisram RSU Scheme on 9 September 2021 in order to attract, incentivise and motivate the employees of the Sisram Group, subject to the approval by the shareholders of Sisram at its general meeting. Pursuant to the Sisram RSU Scheme, subject to the passing of an ordinary resolution approving, the adoption of Sisram RSU Scheme and the Sisram RSU Scheme Annual Mandate, and assuming that the aggregate number of issued shares in Sisram remains unchanged as at the date of general meeting of Sisram, a maximum of 22,107,780 new Sisram Shares may be issued under the Sisram RSU Scheme, representing approximately 4.74% of the total number of Sisram Shares in issue.

The Sisram RSU Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Hong Kong Listing Rules as it does not involve the grant of options by Sisram to subscribe for new Sisram Shares.

Upon completion of the issue of all the new Sisram Shares under the Sisram RSU Scheme, the Company's shareholding in Sisram is expected to decrease from approximately 70.91% to 67.70%. Therefore, the transaction contemplated under the Sisram RSU Scheme constitute a deemed disposal by the Company in its equity interest in Sisram under Rule 14.29 of the Hong Kong Listing Rules. As all the applicable percentage ratios in respect of the deemed disposal are less than 5%, the deemed disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules. Sisram will remain as a subsidiary of the Company after the dilution of shareholding as a result of the issue of all new Sisram Shares under the Sisram RSU Scheme. As Sisram is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Hong Kong Listing Rules, notwithstanding certain Participants are directors of Sisram, they are not regarded as connected persons of the Company under the Hong Kong Listing Rules. Accordingly, the proposed grant of RSUs to such Participants under the Sisram RSU Scheme does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

This announcement is made by the Company on a voluntary basis.

PROPOSED ADOPTION OF THE SISRAM RSU SCHEME

The Board announces that Sisram Board approved the proposed adoption of the Sisram RSU Scheme on 9 September 2021 in order to attract, incentivise and motivate the employees of the Sisram Group, subject to the approval by the shareholders of Sisram at its general meeting. Pursuant to the Sisram RSU Scheme, subject to the passing of an ordinary resolution approving the adoption of Sisram RSU Scheme and the Sisram RSU Scheme Annual Mandate, and assuming that the aggregate number of issued shares in Sisram remains unchanged as at the date of general meeting of Sisram, a maximum of 22,107,780 new Sisram Shares may be issued under the Sisram RSU Scheme, representing approximately 4.74% of the total number of Sisram Shares in issue. The principal terms of the Sisram RSU Scheme are summarised below.

(a) Purpose

The purpose of the Sisram RSU Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Sisram Group and motivate personnel to strive for the future development and expansion of the Sisram Group by providing them with the opportunity to acquire equity interest in Sisram.

(b) Who may join

The Participants comprise the directors of Sisram (including executive directors and non-executive directors, but excluding the independent non-executive directors), the directors of Sisram's subsidiaries and the employees of the Sisram Group who the Sisram Board considers, at its absolute discretion, have contributed or will contribute to the Sisram Group.

(c) Administration

The Sisram RSU Scheme will be subject to the administration of the Sisram Board. The Sisram Board's decision as to all matters arising in relation to the Sisram RSU Scheme or its interpretation or effect shall be final and binding on all parties.

Under the Sisram RSU Scheme, subject to the relevant requirements under the Israeli Companies Law and the Hong Kong Listing Rules, Sisram may also appoint a professional trustee to assist with the administration and vesting of RSUs.

(d) Condition

The Sisram RSU Scheme shall take effect subject to the approval and adoption of the Sisram RSU Scheme by the shareholders of Sisram and to authorise the Sisram Board to make Grants (as defined below) pursuant thereto, and to allot and issue or otherwise deal with Sisram Shares in connection with the Sisram RSU Scheme.

(e) Term

No RSU shall be granted under the Sisram RSU Scheme after the completion of 5 years from the date on which the Sisram RSU Scheme becomes effective (the “**Effective Date**”), but RSUs granted during that 5-year term shall continue to be valid in accordance with their terms of grant after the completion of 5 years from the Effective Date.

(f) Grant of RSUs

The Board may make a grant (“**Grant**”) to a Participant by a notice (“**Notice of Grant**”) in such form as the Sisram Board may from time to time determine requiring the Participant to undertake to hold the RSU on the terms on which it is to be granted and to be bound by the terms of the Sisram RSU Scheme and any other terms and conditions as contained in the Notice of Grant.

(g) Timing Restrictions

Under the Sisram RSU Scheme, Sisram may not make any Grant after inside information has come to its knowledge until such time as that information has ceased to constitute inside information or during the specified period as set out in Sisram RSU Scheme.

(h) Vesting of RSUs

Subject to and in accordance with the terms of the Sisram RSU Scheme and the specific terms applicable to each RSU, an RSU shall vest on the date specified in the Notice of Grant (“**Vesting Date**”). If the vesting of an RSU is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the RSU shall lapse automatically in respect of such proportion of underlying Sisram Shares as have not vested.

RSUs which have vested shall be satisfied, as soon as practicable on or after the Vesting Date and in any event by no later than 15 Business Days following the Vesting Date, at Sisram’s absolute discretion in the manner as set out in the Sisram RSU Scheme.

(i) Maximum number of Shares

The scheme mandate limit (“**Scheme Mandate Limit**”) means the total number of Sisram Shares in respect of which RSUs may be granted pursuant to the Sisram RSU Scheme and any other share-based incentive plans of Sisram, and subject to any renewal by the shareholders of Sisram, the Scheme Mandate Limit would initially be 22,107,780 Shares.

At any time during the term of the Sisram RSU Scheme, the maximum aggregate number of Sisram Shares with respect to which RSUs may be granted pursuant to the Sisram RSU Scheme shall be calculated in accordance with the following formula:

$$X = A - B$$

where:

X = the maximum aggregate number of Sisram Shares in respect of which RSUs may be granted pursuant to the Sisram RSU Scheme;

A = the Scheme Mandate Limit;

B = the maximum aggregate number of Sisram Shares that may be issued and/or transferred upon the vesting of RSUs already granted pursuant to the Sisram RSU Scheme; and

Sisram Shares in respect of RSUs which have lapsed in accordance with the terms of the Sisram RSU Scheme or which have been satisfied by the making of a Cash Payment will not be counted for the purpose of determining the maximum aggregate number of Sisram Shares in respect of which RSUs may be granted pursuant to the Sisram RSU Scheme.

(j) Renewal of Scheme Mandate Limit

The Scheme Mandate Limit may be renewed subject to prior approval from shareholders of Sisram, but in any event, the total number of Sisram Shares in respect of which RSUs may be granted pursuant to the Sisram RSU Scheme and any other share-based incentive plans of Sisram following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 5 per cent. of the Sisram Shares in issue as at the New Approval Date. Sisram Shares in respect of RSUs granted pursuant to the Sisram RSU Scheme and any other share-based incentive schemes of Sisram (including those outstanding, lapsed or exercised in accordance with such scheme) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Sisram Shares in respect of which the RSUs may be granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Sisram Shares issued prior to the New Approval Date pursuant to the vesting of RSUs will be counted for the purpose of determining the number of Sisarm Shares in issue as at the New Approval Date.

(k) Adjustments

In the event of an alteration in the capital structure of Sisram by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of Sisram in accordance with applicable laws and the Hong Kong Listing Rules (other than any alteration in the capital structure of Sisram as a result of an issue of Sisram Shares as consideration in a transaction to which Sisram or any of its subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive plans of

Sisram) while any RSU has not vested or has vested but has not yet been satisfied, the Sisram Board may adjust the nominal value or number of Sisram Shares subject to an RSU and/or the aggregate maximum number of Sisram Shares in respect of the RSUs as it, at its absolute discretion, thinks fit.

(l) Amendment and modification

The Sisram Board may alter any of the terms of the Sisram RSU Scheme at any time, provided that such alterations comply with the requirements of the Israeli Companies Law and the Hong Kong Listing Rules, to the extent applicable.

Subject to the Israeli Companies Laws and the Hong Kong Listing Rules, the Sisram Board may amend any performance condition that applies to an RSU if there is an event that causes it to consider that the performance condition should be amended.

(m) Cancellation

The Sisram Board may at any time cancel any RSUs previously granted but which have not yet vested and may, at its discretion, make a grant of new RSUs to the same Grantee. Where Sisram cancels RSUs and makes a grant of new RSUs to the same Grantee, the grant of such new RSUs may only be made with available RSUs to the extent not yet granted (excluding the cancelled RSUs) within the Scheme Mandate Limit prescribed.

(n) Termination

Sisram may by ordinary resolution in general meeting or the Sisram Board may at any time terminate the Sisram RSU Scheme and in such event, no further RSUs may be offered or granted but in all other respects the terms of the Sisram RSU Scheme shall remain in full force and effect in respect of RSUs which are granted during the term of the Sisram RSU Scheme and which remain unvested immediately prior to the termination of the Sisram RSU Scheme.

REASONS FOR AND BENEFIT OF THE ADOPTION OF SISRAM RSU SCHEME

The purpose of the Sisram RSU Scheme is to attract skilled and experienced personnel, to incentivise them to remain with Sisram Group and motivate personnel to strive for the future development and expansion of Sisram Group by providing them with the opportunity to acquire equity interest in Sisram.

HONG KONG LISTING RULES IMPLICATIONS IN RESPECT OF THE ADOPTION OF SISRAM RSU SCHEME

The Sisram RSU Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Hong Kong Listing Rules as it does not involve the grant of options by Sisram to subscribe for new Sisram Shares.

Upon completion of the issue of all the new Sisram Shares under the Sisram RSU Scheme, the Company's shareholding in Sisram is expected to decrease from approximately 70.91% to 67.70%. Therefore, the transaction contemplated under the Sisram RSU Scheme constitute a deemed disposal by the Company in its equity interest in Sisram under Rule 14.29 of the Hong Kong Listing Rules. As all the applicable percentage ratios in respect of the deemed disposal are less than 5%, the deemed disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules. Sisram will remain as a subsidiary of the Company after the dilution of shareholding as a result of the issue of all new Sisram Shares under the Sisram RSU Scheme. As Sisram is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Hong Kong Listing Rules, notwithstanding certain Participants are directors of Sisram, they are not regarded as connected persons of the Company under the Hong Kong Listing Rules. Accordingly, the proposed grant of RSUs to such Participants under the Sisram RSU Scheme does not constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company
“Business Day”	any day on which the Hong Kong Stock Exchange is open for business of dealing in securities
“Cash Payment”	the amount in cash to be paid to a Grantee by Sisram in satisfaction of an RSU upon its vesting, which shall be determined by Sisram in accordance with the terms of the Sisram RSU Scheme
“Company”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock limited company incorporated 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
“Directors”	the directors of the Company
“Grantee”	a Participant who is granted with an RSU under the Sisram RSU Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Israeli Companies Law”	the Companies Law 5759-1999 of Israel and the regulations promulgated thereunder, as amended and restated from time to time

“Participant”	a person eligible to participate in the Sisram RSU Scheme pursuant to the terms thereof
“RSU”	a restricted share unit to be granted under the Sisram RSU Scheme
“Sisram”	Sisram Medical Ltd, a company incorporated in Israel with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1696) and a subsidiary of the Company
“Sisram Board”	the board of directors of Sisram
“Sisram Group”	Sisram and its subsidiaries
“Sisram Share(s)”	ordinary shares in the capital of Sisram
“Sisram RSU Scheme”	the restricted share units scheme of Sisram proposed to adopted by the Sisram Board on 9 September 2021
“Sisram RSU Scheme Annual Mandate”	the annual mandate proposed to be granted to the directors of Sisram to exercise all the powers of Sisram to, among others, allot, issue of new Sisram Shares and otherwise deal with such Sisram Shares upon vesting of the RSUs that may be granted under the Sisram RSU Scheme

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

Shanghai, the PRC

10 September 2021

As at the date of this announcement, the executive director of the Company is Mr. Wu Yifang; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Pan Donghui and Mr. Zhang Houlin; and the independent non-executive directors of the Company are Ms. Li Ling, Mr. Tang Guliang, Mr. Wang Quandi and Mr. Yu Tze Shan Hailson.

* *for identification purposes only*