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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)



復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 00656)

JOINT ANNOUNCEMENT

PROPOSED INTELLECTUAL PROPERTY, DEVELOPMENT & COMMERCIALIZATION TRANSFER AGREEMENTS

This joint announcement is made by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (“**Fosun Pharma**”) and Fosun International Limited (“**Fosun International**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. THE PROPOSED TRANSFERS

The boards of directors (the “**Boards**”) of Fosun Pharma and Fosun International would like to inform their respective shareholders and potential investors that Chongqing Fochon Pharmaceutical Co. Ltd.* (重慶復創醫藥研究有限公司) (“**Chongqing Fochon**”), an indirectly owned subsidiary of Fosun Pharma, proposed to enter into certain intellectual property, development and commercialization transfer agreements (the “**Proposed Transfer Agreements**”) with SELLAS Clinicals Holding AG (the “**Purchaser**”) for the transfer of Chongqing Fochon’s and its applicable affiliates’ right, title and interest in certain intellectual property and for global rights, except the People’s Republic of China (the “**PRC**”), in development, commercialization, sales and distribution, sub-license and out-license and all other applicable rights in respect of Compound A and Compound B for an estimated total consideration of approximately EUR388 million (the “**Proposed Transfers**”). Meanwhile, upon obtaining the approvals of relevant products in the United States and/or Europe, Chongqing Fochon will be entitled to a royalty on net sales of Compound A and Compound B in the relevant regions and will be entitled to a 3% equity interest in the subsidiary of the Purchaser that will ultimately hold the rights in respect of Compound A and Compound B.

2. ABOUT COMPOUND A

Compound A is a DPP4 inhibitor developed by Chongqing Fochon independently and has a promising prospect of developing into type 2 diabetes medicines. Chongqing Fochon has applied for the international patent under the Patent Cooperation Treaty in respect of Compound A.

Proposed Payment Terms

The Purchaser proposed that the transfer consideration of Compound A will be settled in the following manners:

1. EUR1 million within 27 business days of the date of the transfer agreement and EUR2 million within 45 business days thereafter.
2. EUR2 million within 90 business days of the date of the transfer agreement.
3. EUR10 million within 45 business days of final clinical phase I study report write-up.
4. EUR5 million within 30 business days of the initiation of the phase II program.
5. EUR25 million within 45 business days of final clinical phase II study report write-up.
6. EUR25 million within 30 business days of the initiation of the phase III program; and EUR25 million within 30 business days of the mid-point of the phase III program (half patients enrolled).
7. EUR100 million within 45 business days of clinical phase III study report write-up.
8. Chongqing Fochon will hold a 10% royalty (throughout the world, except the PRC) on net revenue sales by the Purchaser or any sub-licensee for eight (8) years upon Compound A obtaining the relevant approvals in the United States and/or Europe.

3. ABOUT COMPOUND B

Compound B is a receptor inhibitor of which Chongqing Fochon owns the proprietary intellectual property rights. It has a promising prospect of developing into anti-tumor medicines for curing lung, breast and other cancers. Currently, it is at the candidate compounds stage while application for international patent under the Patent Cooperation Treaty has been made.

Proposed Payment Terms

The Purchaser proposed that the transfer consideration of Compound B will be settled in the following manners:

1. EUR0.5 million within 27 business days of the date of the transfer agreement and EUR1.5 million within 45 business days thereafter.
2. EUR1 million within 90 business days of the date of the transfer agreement.
3. EUR10 million within 45 business days of final clinical phase I study report write-up.
4. EUR5 million within 30 business days of the initiation of the phase II program.

5. EUR25 million within 45 business days of final clinical phase II study report write-up.
6. EUR25 million within 30 business days of the initiation of the phase III program; and EUR25 million within 30 business days of the mid-point of the phase III program (half patients enrolled).
7. EUR100 million within 45 business days of clinical phase III study report write-up.
8. Chongqing Fochon will hold a 10% royalty (throughout the world, except the PRC) on net revenue sales by the Purchaser or any sub-licensee for eight (8) years upon Compound B obtaining the relevant approvals in the United States and/or Europe.

4. APPROVALS

The Proposed Transfer Agreements are subject to the approval of the shareholders of Fosun Pharma at a general meeting. If the Proposed Transfer Agreements are not approved at the general meeting, all the amount paid to Chongqing Fochon by the Purchaser shall be refunded to the Purchaser.

5. GENERAL

Fosun Pharma is a leading healthcare company in the PRC and primarily engaged in business segments including pharmaceutical manufacturing, pharmaceutical distribution and retail, healthcare services and medical diagnosis and medical devices.

Fosun International is principally engaged in the businesses of: (i) insurance; (ii) industrial operations; (iii) investment; and (iv) asset management.

Chongqing Fochon is principally engaged in the research and development of chemical drugs.

The Purchaser is principally engaged in the clinical trials for contract research organization, sales of diagnostic reagents, acquisitions and mergers and management of hospitals and research and development of drugs and medical equipment.

The Boards wish to emphasize that the Proposed Transfers are subject to the signing of the relevant transfer agreements and the terms of the Proposed Transfers are subject to further negotiation between the parties. The Proposed Transfers are also subject to the approval of the board of directors of Fosun Pharma and the shareholders of Fosun Pharma at a general meeting. Even if such approvals are obtained, given that the early animal test results are still subject to further verifications on safety and effectiveness through clinical trials which involve material uncertainty and risk; and the successful completion of the clinical trials is subject to the development status of Compound A and Compound B, therefore, the payment of each installment is subject to material uncertainty. Fosun Pharma and Fosun International will keep their respective shareholders and potential investors informed of any material development in connection with the Proposed Transfers if and when necessary. Shareholders and potential investors should exercise caution when dealing in the securities of Fosun Pharma and Fosun International.

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

Shanghai, PRC
18 October 2013

As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Chen Qiyu and Mr. Yao Fang; the non-executive directors of Fosun Pharma are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Zhang Guozheng, Mr. Wang Pinliang and Ms. Kang Lan; and the independent non-executive directors of Fosun Pharma are Mr. Han Jiong, Dr. Zhang Weijiong, Mr. Li Man-kiu Adrian David and Mr. Cao Huimin.

As at the date of this announcement, the executive directors of Fosun International are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping; the non-executive director of Fosun International is Mr. Fan Wei, and the independent non-executive directors of Fosun International are Mr. Zhang Shengman, Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang.

** for identification purposes only*