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## **FOSUN INTERNATIONAL LIMITED**

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

**(Stock Code: 00656)**

### **CONNECTED TRANSACTION FORMATION OF A FUND**

The Board announces that on 21 November 2011, Nanjing Iron & Steel, Tibet Fosun and Fosun Pingyao, all of which are subsidiaries of the Company, entered into the LPA with Tibet Xingye and Other Investors in respect of the formation of the Fund. Pursuant to the LPA, the total capital of the Fund is RMB1,505,000,000, of which, among others, Nanjing Iron & Steel will contribute RMB100 million, Tibet Fosun will contribute RMB15 million, Fosun Pingyao will contribute RMB40 million and Tibet Xingye will contribute RMB470 million, representing approximately 6.64%, 1%, 2.66% and 31.23%, respectively, of the total capital of the Fund.

Tibet Xingye is an Associate of Mr. Guo Guangchang, a director of the Company, and is therefore a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Transaction under the LPA hence constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the percentage ratios (on an aggregation basis) exceed 0.1% but less than 5%, the transaction contemplated under LPA is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48(2) of the Listing Rules.

#### **A. THE LPA**

The principal terms of the LPA are set out below:

Date: 21 November 2011

Parties: Nanjing Iron & Steel, Tibet Fosun, Fosun Pingyao, Tibet Xingye and Other Investors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Other Investors and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company

Purpose: To engage in equity and debt investment, and other investments contemplated under the LPA and subject to the laws and regulations

Name of the Fund: Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) (上海復星創泓股權投資基金合作企業 (有限合夥))

Place of establishment and location of the Fund: Shanghai, PRC

Capital contribution: The total capital of the Fund will be RMB1,505,000,000.

Amount of capital contribution:

Nanjing Iron & Steel	RMB100 million
Tibet Fosun	RMB15 million
Fosun Pingyao	RMB40 million
Tibet Xingye	RMB470 million
Other Investors	RMB880 million

The funding of the capital contribution by Nanjing Iron & Steel, Tibet Fosun and Fosun Pingyao will come from internal resources. These capital contributions shall be paid within three years under three phases:

First phase: 40% of subscribed capital contribution before 20 December 2011

Second and third phases: each 30% of subscribed capital contribution depending on the progress of the investment of the Fund

Scope of investment: Engage in equity and debt investments in the enterprises of industries other than the property, pharmaceuticals, steel and mining industries, and other investments contemplated under the LPA and subject to the laws and regulations

General Partner: Tibet Fosun will be the general partner of the Fund, who is responsible for the operation and management of the Fund

Term: The partnership period of the Fund is 8 years and the operation period is 5 years; the general partner has the discretion to extend the operation period, which can be extended one year each time and three times in maximum

## **B. REASONS FOR AND BENEFIT OF ENTERING INTO THE LPA**

By entering into the LPA, the Directors believe that it will provide a good opportunity for the Group to make investments, which is in line with the strategy of the Group. The terms of the LPA were negotiated on an arm's length basis and were determined on normal commercial terms. The Directors, including the independent non-executive Directors, believe that the terms of the LPA are fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

## **C. GENERAL**

### **The Company**

The principal activities of the Group are: (i) pharmaceuticals and healthcare; (ii) property; (iii) steel; (iv) mining; and (v) retail, services and other investments.

### **Nanjing Iron & Steel**

Nanjing Iron & Steel is principally engaged in manufacturing and sale of iron and steel products.

### **Tibet Xingye**

Tibet Xingye is principally engaged in investment holding.

### **Tibet Fosun**

Tibet Fosun is principally engaged in investment holding.

### **Fosun Pingyao**

Fosun Pingyao is principally engaged in investment holding.

## **D. LISTING RULES IMPLICATIONS**

Tibet Xingye is an Associate of Mr. Guo Guangchang, a director of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. The Transaction under the LPA hence constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the percentage ratios exceed 0.1% but less than 5%, the Transaction contemplated under LPA is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing

Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48(2) of the Listing Rules.

The Company confirms that there is no other transaction entered into between any member of the Group and Tibet Xingye or its Associates within a 12 months period from the date of this announcement or otherwise related, which would be, together with the transaction under the LPA, regarded as a series of transactions and treated as if they are one transaction under Rules 14.22 and 14A.25 of the Listing Rules.

Since Mr. Guo Guangchang, Chairman and executive Director of the Company is the ultimate controlling shareholder of Tibet Xingye, he has abstained from voting on the board resolution in approving the Transaction. Save as disclosed aforesaid, none of the Directors (other than Mr. Guo) has a material interest in the Transaction under the LPA.

## **E. DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose shares are listed and traded on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Fosun Pingyao”	Shanghai Fosun Pingyao Investment Management Company Limited (上海復星平耀投資管理有限公司)
“Fosun Technology”	Shanghai Fosun High and New Technology Development Co., Ltd. (上海復星高新技術發展有限公司), a limited liability company incorporated under the laws of the PRC and owned as to 58%, 22%, 10% and 10% by Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin and Mr. Fan Wei, respectively, all of whom are the Directors
“Fund”	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) (上海復星創泓股權投資基金合伙企業 (有限合伙))
“Group”	the Company and its subsidiaries
“Guangxin Technology”	Shanghai Guangxin Science & Technology Development Co., Ltd. (上海廣信科技發展有限公司), a limited liability company

	incorporated under the laws of the PRC and owned as to 58%, 22%, 10% and 10% by Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin and Mr. Fan Wei, respectively, all of whom are the Directors
“LPA”	the limited partnership agreement dated 21 November 2011 of the Fund entered into among Nanjing Iron & Steel, Tibet Fosun, Fosun Pingyao, Tibet Xingye and Other Investors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Iron & Steel”	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司)
“Other Investors”	other investors under the LPA who are independent third parties of the Group
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	formation of the Fund
“Tibet Fosun”	Tibet Fosun Investment Management Co., Ltd. (西藏復星投資管理有限公司)
“Tibet Xingye”	Tibet Xingye Investment Management Co., Ltd. (西藏興業投資管理有限公司), a wholly owned subsidiary of Shanghai Xingye Investment Development Co., Ltd. (上海興業投資發展有限公司) which is owned as to 90% and 10% by Guangxin Technology and Fosun Technology, respectively

By Order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

Shanghai, the PRC, 13 December 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetao and Mr. Wu Ping; the non-executive director is Mr. Liu Benren; and the independent non-executive directors are Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.*