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FOSUN 复星

FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 00656)

**PROGRESS UPDATE ANNOUNCEMENT
PROPOSED SPIN-OFF OF HAINAN MINING AND
CONNECTED TRANSACTION**

Reference is made to the announcement issued by the Company on 28 June 2011 in relation to the proposed spin-off of Hainan Mining.

The Board wishes to announce that Hainan Mining had pre-disclosed its listing prospectus (application version) and is currently under the stage of providing additional materials of its 2012 annual report to China Securities Regulatory Commission and waiting for attending preliminary assessment hearing.

In order to further avoid potential horizontal competition, reduce connected transaction between Hainan Mining and Haigang Group, and eliminate potential effect on Hainan Mining by the low grade ore owned by Haigang Group, Hainan Mining entered into a purchase agreement for low grade ore with Haigang Group on 25 July 2012, pursuant to which, Haigang Group will sell all low grade ore in stock to Hainan Mining with consideration of RMB856,968,340.54.

Haigang Group is a substantial shareholder of Hainan Mining, a subsidiary of the Company, and is therefore a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the percentage ratios exceed 1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements under Rules 14A.32 of the Listing Rules and is exempt from the independent shareholders' approval requirement.

BACKGROUND

Reference is made to the announcement issued by the Company on 28 June 2011 in relation to the proposed spin-off of Hainan Mining (the “**Previous Announcement**”). Unless the context requires otherwise, terms defined in the Previous Announcement have the same meanings when used in this announcement.

The Board wishes to announce that Hainan Mining had pre-disclosed its listing prospectus (application version) and is currently under the stage of providing additional materials of its 2012 annual report to China Securities Regulatory Commission and waiting for attending preliminary assessment hearing.

On 25 July 2012, Hainan Mining entered into a purchase agreement for low grade ore with Haigang Group (the “**Purchase Agreement**”), pursuant to which, Haigang Group will sell all low grade ore in stock (totally 8,483,449.69 tonnes) to Hainan Mining for the consideration of RMB856,968,340.54.

DETAILS OF THE PURCHASE AGREEMENT

The principal terms of the Purchase Agreement are set out below:

Date: 25 July 2012

Parties: Haigang Group as vendor; and
Hainan Mining as buyer.

Haigang Group is a substantial shareholder of Hainan Mining, a subsidiary of the Company, and is therefore a connected person of the Company as defined under Chapter 14A of the Listing Rules.

Low grade ore under transaction: Hainan Mining to purchase low grade ore in stock (totally 8,483,449.69 tonnes) from Haigang Group (the “**Low Grade Ore**”).

Consideration and payment terms: the total consideration is RMB856,968,340.54, which is determined according to the evaluated amount, being RMB856,968,340.54, in the evaluation report issued by Beijing YaChao Appraisal Co., Ltd.. The Low Grade Ore of Haigang Group is recorded as off book asset with zero book value.

the consideration will be fully settled by Hainan Mining with its own cash in the following manner:

1. 50% of the total consideration shall be paid within 10 days after the Purchase Agreement becoming effective;
2. 25% of the total consideration shall be paid within 10 days after the second anniversary of the Purchase Agreement becoming effective; and

3. the remaining consideration shall be paid within 10 days after the third anniversary of the Purchase Agreement becoming effective.

REASONS FOR AND BENEFIT OF ENTERING INTO THE PURCHASE AGREEMENT

The Purchase Agreement was made in order to further avoid potential horizontal competition, reduce connected transaction between Hainan Mining and Haigang Group, and eliminate potential effect on Hainan Mining by the low grade ore owned by Haigang Group. The terms of the Purchase Agreement 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 Purchase Agreement are fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

GENERAL

The Company

The principal activities of the Company are: (i) insurance; (ii) pharmaceuticals and healthcare; (iii) property; (iv) steel; (v) mining; (vi) retail, services, finance and other investments; and (vii) asset management.

Hainan Mining

Hainan Mining is a 60% owned subsidiary of the Company. It is principally engaged in mining and sale of iron ore.

Haigang Group

Haigang Group is principally engaged in businesses of investment management, hotel operation and real estate development etc..

LISTING RULES IMPLICATIONS

Haigang Group is a substantial shareholder of Hainan Mining, a subsidiary of the Company, and is therefore a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the percentage ratios exceed 1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements under Rules 14A.32 of the Listing Rules and is exempt from the independent shareholders' approval requirement.

None of the Directors has a material interest in the transaction under the Purchase Agreement.

DEFINITIONS

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

“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
“Haigang Group”	Hainan Haigang Group Co., Ltd. (海南海鋼集團有限公司), being a substantial shareholder of Hainan Mining as to 40%
“Hainan Mining”	Hainan Mining Co., Ltd. (海南礦業股份有限公司), being a 60% owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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”	the purchase of low grade ore in stock (totally 8,483,449.69 tonnes) by Hainan Mining from Haigang Group under the Purchase Agreement

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 8 February 2013

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 independent non-executive directors are Mr. Zhang Shengman, Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang.