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FOSUN 复星

FOSUN INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability
under the Companies Ordinance)
(Stock Code: 00656)*

FORTE 复地

復地（集團）股份有限公司

SHANGHAI FORTE LAND CO., LTD.*

*(a sino-foreign joint stock limited company incorporated in the
People's Republic of China with limited liability)
(Stock Code: 02337)*

JOINT ANNOUNCEMENT

**ACQUISITION OF A 40% EQUITY INTEREST IN
DINGFEN PROPERTY COMPANY**

CONNECTED TRANSACTION

CONNECTED TRANSACTION

**Independent Financial Adviser to the Independent Board Committee
and Independent Shareholders of Forte**



SOMERLEY LIMITED

As at the date of this announcement, the registered capital of Dingfen Property Company in the amount of RMB60,000,000 (equivalent to approximately HK\$68,225,234) was contributed by Forte and Shanghai Company in the amount of RMB36,000,000 (equivalent to approximately HK\$40,935,141) and RMB24,000,000 (equivalent to approximately HK\$27,290,094) respectively, representing 60% and 40% of the registered capital of Dingfen Property Company, respectively.

Forte and Shanghai Company entered into the Equity Transfer Contract on 15 March 2010, whereby Forte has agreed to acquire from Shanghai Company a 40% equity interest in Dingfen Property Company for a consideration of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175). The Equity Transfer Contract came into effect on 26 March 2010 when approved by the Shanghai United Assets and Equity Exchange.

Forte is a subsidiary of Fosun. Shanghai Company is a substantial shareholder of Dingfen Property Company, a subsidiary of Forte, and is therefore a connected person of Fosun. The Acquisition constitutes a connected transaction of Fosun under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 0.1% but less than 2.5% for Fosun, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Hong Kong Listing Rules.

Shanghai Company is a substantial shareholder of Dingfen Property Company, a subsidiary of Forte, and is therefore a connected person of Forte. The Acquisition constitutes a connected transaction of Forte under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 2.5% for Forte, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and the independent shareholders' approval requirement under Rule 14A.48 of the Hong Kong Listing Rules.

Forte obtained a written Independent Shareholders' approval dated 26 March 2010 in relation to the Acquisition from Fosun and Fosun High Technology, a closely allied group of shareholders of Forte, which together hold more than 50% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte. Therefore, no general meeting is required to be held to consider the Acquisition pursuant to Rule 14A.43 of the Hong Kong Listing Rules.

An Independent Board Committee has been formed by Forte to advise the Independent Shareholders of Forte on the Acquisition and Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of Forte on the Acquisition in accordance with the Hong Kong Listing Rules.

A circular containing, among other things, further details of the Acquisition, the letter from the Independent Board Committee, the recommendation from the independent financial adviser on the terms of the Acquisition and an independent valuation report, will be despatched to the shareholders of Forte within 21 days after the publication of this announcement.

ACQUISITION OF A 40% EQUITY INTEREST IN DINGFEN PROPERTY COMPANY

Background

As at the date of this announcement, the registered capital of Dingfen Property Company in the amount of RMB60,000,000 (equivalent to approximately HK\$68,225,234) was contributed by Forte and Shanghai Company in the amount of RMB36,000,000 (equivalent to approximately HK\$40,935,141) and RMB24,000,000 (equivalent to approximately HK\$27,290,094) respectively, representing 60% and 40% of the registered capital of Dingfen Property Company, respectively.

As at the date of this announcement, the Xindu Project was still under construction comprising of properties for residential and commercial uses with a total gross floor area of approximately 120,195 square meters.

Equity Transfer Contract

Forte and Shanhai Company entered into the Equity Transfer Contract on 15 March 2010, whereby Forte has agreed to acquire from Shanhai Company a 40% equity interest in Dingfen Property Company for a consideration of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175). The Equity Transfer Contract came into effect on 26 March 2010 when approved by the Shanghai United Assets and Equity Exchange.

Date

15 March 2010

Parties

- (i) Forte
- (ii) Shanhai Company

Transaction

Pursuant to the Equity Transfer Contract, Forte has agreed to acquire from Shanhai Company a 40% equity interest in the Dingfen Property Company for a consideration in the amount of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175), which shall be fully settled in cash by Forte with its internal resources in the following manner:

- (1) an amount of RMB10,000,000 shall be paid within 10 days after the Equity Transfer Contract comes into effect;
- (2) an amount of RMB22,883,685.66 shall be paid within 30 days after the change of the shareholders is registered with the Administration of Industry and Commerce; and
- (3) an amount of RMB121,000,000 shall be paid by 31 December, 2010.

Consideration

The consideration in the amount of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175) has been arrived at after arm's length negotiations between the parties to the Equity Transfer Contract with reference to the gross floor area of the property of the Xindu Project, the relevant market price, future market development trend and other relevant factors.

Completion

The completion of the Acquisition will take place within 30 working days following the execution of the Equity Transfer Contract.

Financial Information

The unaudited net asset value of Dingfen Property Company attributable to equity holders as of 31 December 2009 was RMB62,066,436.

The unaudited consolidated net profit/(loss) before and after taxation and extraordinary items of Dingfen Property Company for the two years ended 31 December 2008 and 2009, were as follows:

	For the year ended 31 December 2008 RMB	For the year ended 31 December 2009 RMB
Unaudited consolidated net profit/(loss) before taxation and extraordinary items	(50,000)	3,236,581
Unaudited consolidated net profit/(loss) after taxation and extraordinary items	(50,000)	2,427,436

Reasons for and benefits of the Acquisition

Fosun and Forte are of the view that the Acquisition will enable Forte to increase its competitive strength in the real estate market in Shanghai on the basis that (i) there is a foreseeable growth potential in the real estate market in Shanghai, an important economic centre of the PRC; and (ii) the Xindu Project is in line with its group strategy and commercial criteria.

Hong Kong Listing Rules Implications

Fosun

Forte is a subsidiary of Fosun. Shanghai Company is a substantial shareholder of Dingfen Property Company, a subsidiary of Forte, and is therefore a connected person of Fosun. The Acquisition constitutes a connected transaction of Fosun under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 0.1% but less than 2.5% for Fosun, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Hong Kong Listing Rules.

Forte

Shanghai Company is a substantial shareholder of Dingfen Property Company, a subsidiary of Forte, and is therefore a connected person of Forte. The Acquisition constitutes a connected transaction of Forte under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 2.5% for Forte, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and the independent shareholders' approval requirement under Rule 14A.48 of the Hong Kong Listing Rules.

Fosun High Technology is a subsidiary of Fosun. Fosun and Fosun High Technology, a closely allied group of shareholders of Forte, hold 325,710,000 H Shares and 1,458,963,765 Domestic Shares, representing approximately 12.88% and 57.68%, respectively, and together hold approximately 70.56% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte as at the date of this announcement.

Forte obtained a written Independent Shareholders' approval dated 26 March 2010 in relation to the Acquisition from Fosun and Fosun High Technology, a closely allied group of shareholders of Forte, which together hold more than 50% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte. Therefore, no general meeting is required to be held to consider the Acquisition pursuant to Rule 14A.43 of the Hong Kong Listing Rules.

General

Fosun

The directors of Fosun (including the independent non-executive directors) are of the view that the terms of the Equity Transfer Contract (i) have been negotiated on an arm's length basis; (ii) are on normal commercial terms; and (iii) are fair and reasonable and in the interests of its shareholders as a whole.

To the best of the knowledge, information and belief of the directors of Fosun having made all reasonable enquiries, there is no other transaction entered into between any member of the Fosun Group and Shanghai Company and its ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Acquisition, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 and/or Rule 14A.25 of the Hong Kong Listing Rules.

Forte

The directors of Forte (excluding the independent non-executive directors who will express their views after receiving advice from the independent financial adviser) are of the view that the terms of the Equity Transfer Contract (i) have been negotiated on an arm's length basis; (ii) are on normal commercial terms; and (iii) are fair and reasonable and in the interests of its shareholders as a whole.

To the best of the knowledge, information and belief of the directors of Forte having made all reasonable enquiries, there is no other transaction entered into between any member of the Forte Group and Shanghai Company and its ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Acquisition, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 and/or Rule 14A.25 of the Hong Kong Listing Rules.

GENERAL INFORMATION OF THE PARTIES TO THE TRANSACTION

Fosun

The principal activities of Fosun are: (i) pharmaceuticals; (ii) property development; (iii) steel; (iv) mining; and (v) retail, services and strategic investments.

Forte

Forte is a 70.56% owned subsidiary of Fosun. It is principally engaged in the development and sale of high quality commercial and residential properties in the PRC.

Shanghai Company

Shanghai Company is a limited liability company incorporated under the laws of the PRC. It is principally engaged in investment, trading, storage service and consultancy.

Dingfen Property Company

Dingfen Property Company is a limited liability company incorporated under the laws of the PRC and a non-wholly owned subsidiary of Forte. It is principally engaged in the development of the Xindu Project.

GENERAL INFORMATION

An Independent Board Committee has been formed by Forte to advise the Independent Shareholders of Forte on the Acquisition and Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of Forte on the Acquisition in accordance with the Hong Kong Listing Rules.

A circular containing, among other things, further details of the Acquisition, the letter from the Independent Board Committee, the recommendation from the independent financial adviser on the terms of the Acquisition and an independent valuation report will be despatched to the shareholders of Forte within 21 days after the publication of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the proposed acquisition of a 40% equity interest in the Dingfen Property Company by Forte from Shanghai Company under the Equity Transfer Contract
“Dingfen Property Company”	Shanghai Dingfen Property Development and Operation Company Limited (上海鼎奮房地產開發經營有限公司), a limited liability company incorporated under the laws of the PRC and the project company for the Xindu Project
“Domestic Share(s)”	ordinary share(s) of par value of RMB0.20 each in the share capital of Forte

“Equity Transfer Contract”	Shanghai Equity Transfer Contract dated 15 March 2010 and entered into between Forte and Shanghai Company in relation to the Acquisition
“Forte”	Shanghai Forte Land Co., Ltd. (復地(集團)股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability and whose H shares are listed and traded on the main board of the Hong Kong Stock Exchange
“Forte Group”	Forte and its subsidiaries
“Fosun”	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 Hong Kong Stock Exchange
“Fosun Group”	Fosun and its subsidiaries
“Fosun High Technology”	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a limited liability company incorporated under the laws of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“H Share(s)”	ordinary share(s) of par value of RMB0.20 each in the issued share capital of Forte which are listed and traded on the main board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent board committee of the board of directors of Forte, comprising all of its independent non-executive directors, namely, Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan
“Independent Shareholders”	shareholders of Forte who are not required under the Hong Kong Listing Rules to abstain from voting on the resolutions approving the Acquisition if an extraordinary general meeting of Forte were convened
“PRC”	the People’s Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Company”	Shanghai Shanghai Enterprise (Group) Company Limited (上海山海企業(集團)有限公司), a limited liability company incorporated under the laws of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Somerley”	Somerley Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Xindu Project”	the land development project in relation to Xindu Project which comprises of properties for residential and commercial uses with a total gross floor area of approximately 120,195 square meters.
“working day(s)”	Monday to Friday except for any public holidays in the PRC or Hong Kong

By Order of the Board
FOSUN INTERNATIONAL LIMITED
GUO GUANGCHANG
Chairman

By Order of the Board
SHANGHAI FORTE LAND CO., LTD.
FAN WEI
Chairman

Shanghai, the PRC, 26 March 2010

As at the date of this announcement, the executive directors of Fosun 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.

As at the date of this announcement, the executive directors of Forte are Mr. Fan Wei, Mr. Zhang Hua and Mr. Wang Zhe; the non-executive directors are Mr. Guo Guangchang, Mr. Feng Xiekun and Mr. Chen Qiyu; and the independent non-executive directors are Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan.

Unless otherwise stated, amount in RMB has been translated into HK\$ at the exchange rate of HK\$1.00 to RMB0.87944 for illustration purpose only. No representation has been made that any amount in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

** For identification purpose only*