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## **FOSUN INTERNATIONAL LIMITED**

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

**(Stock Code: 00656)**

### **CONNECTED TRANSACTION IN RELATION TO TRANSFER OF CARELIFE PHARMACEUTICAL SHARES**

The Board announces that on 11 June 2009, Chongqing Yaoyou, a 51% owned subsidiary of Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Share Transfer Agreement with Fosun Pharma Development, pursuant to which Fosun Pharma Development has agreed to transfer the entire equity interest in Carelife Pharmaceutical to Chongqing Yaoyou at a consideration of RMB118,330,200 (equivalent to approximately HK\$134,202,307).

Fosun Pharma Development is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. Chongqing Yaoyou is a 51% owned subsidiary of Fosun Pharma Development, a member of the Group. The transaction under the Share Transfer Agreement 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 2.5%, the transaction contemplated under the Share Transfer Agreement 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.

#### **INTRODUCTION**

The Board announces that on 11 June 2009, Chongqing Yaoyou, a 51% owned subsidiary of Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Share Transfer Agreement with Fosun Pharma Development, pursuant to which Fosun Pharma Development has agreed to transfer the entire equity interest in Carelife Pharmaceutical to Chongqing Yaoyou at a consideration of RMB118,330,200 (equivalent to approximately HK\$134,202,307).

## **SHARE TRANSFER AGREEMENT**

### **Date:**

11 June 2009

### **Parties:**

- (i) Chongqing Yaoyou, as the purchaser
- (ii) Fosun Pharma Development, as the vendor

### **Consideration:**

Pursuant to the Share Transfer Agreement, Fosun Pharma Development has agreed to transfer the entire equity interest in Carelife Pharmaceutical to Chongqing Yaoyou at a consideration of RMB118,330,200 (equivalent to approximately HK\$134,202,307), which shall be fully settled in cash in the following manner:

- (i) RMB59,160,000 (equivalent to approximately HK\$67,095,369) will be paid within 10 days after the Share Transfer Agreement taking effect upon signing by the parties; and
- (ii) RMB59,170,200 (equivalent to approximately HK\$67,106,937) will be paid within 10 days after the completion of the transfer contemplated under the Share Transfer Agreement.

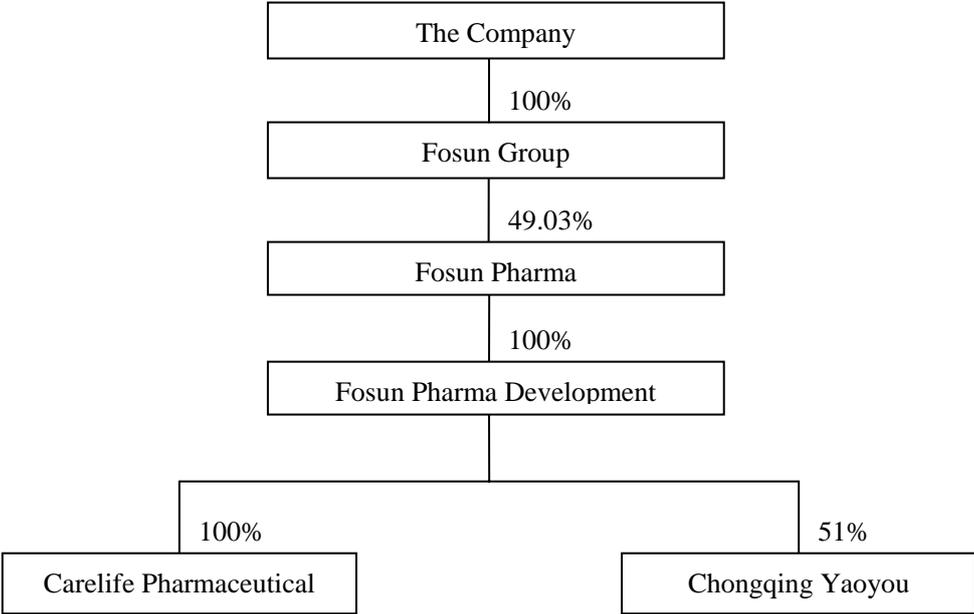
The consideration has been arrived at after arm's length negotiations between the parties to the Share Transfer Agreement with reference to the unaudited net asset value of Carelife Pharmaceutical of RMB118,330,200 (equivalent to approximately HK\$134,202,307) as at 30 September 2008 as contained in an asset valuation report issued by an independent valuer and prepared on the basis of costs method and income method, which are valuation methods generally recognized in the PRC and jointly agreed by the parties. The assets of Carelife Pharmaceutical principally comprised of land, buildings and production facilities. There was no significant change in the net asset value of Carelife Pharmaceutical for the period since 30 September 2008 (in the amount of RMB78,524,200 (equivalent to approximately HK\$89,056,968) as shown in the unaudited management accounts of Carelife Pharmaceutical) up to 31 December 2008 (in the amount of RMB76,143,700 (equivalent to approximately HK\$86,357,161) as shown in the audited accounts of Carelife Pharmaceutical which is included in the consolidated financial statements of Fosun Pharma).

**Conditions precedent:**

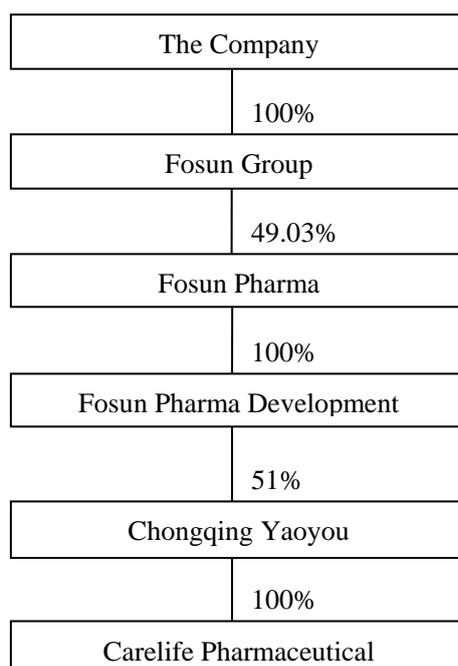
The completion of the Share Transfer Agreement will be conditional upon the fulfillment of the following conditions precedent:

- (i) the signing of the Share Transfer Agreement by the parties;
- (ii) the passing of a resolution by the sole shareholder of Carelife Pharmaceutical to approve the share transfer and the amendments to the articles of association of Carelife Pharmaceutical contemplated under the Share Transfer Agreement;
- (iii) due payment of the consideration by Chongqing Yaoyou in accordance with the Share Transfer Agreement; and
- (iv) the completion of the approval and registration procedures by the relevant government authorities in respect of the share transfer.

**Before the completion of the Share Transfer Agreement**



## After the completion of the Share Transfer Agreement



Upon completion of the transfer of the entire equity interest in Carelife Pharmaceutical from Fosun Pharma Development to Chongqing Yaoyou, (i) Carelife Pharmaceutical will cease to be a wholly owned subsidiary of Fosun Pharma Development; (ii) Carelife Pharmaceutical will become a wholly owned subsidiary of Chongqing Yaoyou and an indirectly 51% owned subsidiary of Fosun Pharma Development; and (iii) Carelife Pharmaceutical will remain an indirectly non wholly owned subsidiary of the Company.

Based on the audited accounts of Carelife Pharmaceutical for the financial year ended 31 December 2008 prepared in accordance with the PRC General Accepted Accounting Principles which are included in the consolidated financial statements of Fosun Pharma, the audited equity attributable to equity holders of Carelife Pharmaceutical was RMB76,143,700 (equivalent to approximately HK\$86,357,161) as at 31 December 2008.

The following table shows the audited financial information of Carelife Pharmaceutical prepared in accordance with PRC General Accepted Accounting Principles which is included in the consolidated financial statements of Fosun Pharma for the two financial years ended 31 December 2007 and 31 December 2008, respectively:-

	<b>For the financial year ended 31 December</b>	
	<b>2007</b>	<b>2008</b>
	<b>RMB</b>	<b>RMB</b>
Net profit before taxation and extraordinary items	6,446,628	7,800,543
Net profit after taxation and extraordinary items	5,609,901	6,379,746

## **FINANCIAL EFFECTS OF THE SHARE TRANSFER**

The proceeds from the transaction under the Share Transfer Agreement in the amount of RMB118,330,200 (equivalent to approximately HK\$134,202,307) will be applied towards general working capital of Fosun Pharma Development.

Fosun Pharma Development acquired its entire equity interest in Carelife Pharmaceutical from Fosun Pharma and Chongqing Pharmaceutical Research Institute Co., Ltd., a subsidiary of Fosun Pharma, in December 2008 at a consideration of RMB109,236,860 (equivalent to approximately HK\$123,889,240).

There will be no gain or loss from the transaction under the Share Transfer Agreement and no effect on the assets and liabilities of the Group.

## **REASONS FOR AND BENEFITS OF THE SHARE TRANSFER AGREEMENT**

Upon completion of the transfer of the entire equity interest in Carelife Pharmaceutical from Fosun Pharma Development to Chongqing Yaoyou, (i) Carelife Pharmaceutical will cease to be a wholly owned subsidiary of Fosun Pharma Development; (ii) Carelife Pharmaceutical will be a wholly owned subsidiary of Chongqing Yaoyou and an indirectly 51% owned subsidiary of Fosun Pharma Development; and (iii) Carelife Pharmaceutical will remain an indirectly non wholly owned subsidiary of the Company. The Company is of the view that the share transfer will streamline the shareholding structure in respect of the Group's pharmaceuticals business.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Fosun Pharma Development is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. Chongqing Yaoyou is a 51% owned subsidiary of Fosun Pharma Development, a member of the Group. The transaction under the Share Transfer Agreement 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 2.5%, the transaction contemplated under the Share Transfer Agreement 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 Fosun Pharma Development or its Associates within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the transaction under the Share Transfer Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Listing Rules.

## **GENERAL**

### **The Company**

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

### **Chongqing Yaoyou**

Chongqing Yaoyou is a 51% owned subsidiary of Fosun Pharma Development. The principal activity of Chongqing Yaoyou is manufacture and sale, research and development of pharmaceutical products.

### **Fosun Pharma Development**

Fosun Pharma Development is a wholly owned subsidiary of Fosun Pharma, a subsidiary of the Company. The principal activity of Fosun Pharma Development is investment holding.

### **Carelife Pharmaceutical**

Carelife Pharmaceutical is a wholly owned subsidiary of Fosun Pharma Development. The principal activity of Carelife Pharmaceutical is manufacture, research and development of pharmaceutical products.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Carelife Pharmaceutical”	Chongqing Carelife Pharmaceutical Co., Ltd. (重慶凱林製藥有限公司), a limited liability company incorporated under the laws of the PRC
“Chongqing Yaoyou”	Chongqing Yaoyou Pharmaceutical Co., Ltd. (重慶藥友製藥有限公司), a limited liability company incorporated under the laws of the PRC
“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
“Forte”	Shanghai Forte Land Co., Ltd. (復地(集團)股份有限公司), a sino-foreign joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the main board of the Stock Exchange (Stock Code: 02337)
“Fosun Group”	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
“Fosun Pharma”	Shanghai Fosun Pharmaceuticals (Group) Company Limited (上海復星醫藥(集團)股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose shares are listed and traded on the Shanghai Stock Exchange (Stock Code: 600196)
“Fosun Pharma Development”	Shanghai Fosun Pharmaceutical Development Company Limited (上海復星醫藥產業發展有限公司), a limited liability company incorporated under the laws of the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Share Transfer Agreement”	a share transfer agreement dated 11 June 2009 and entered into between Chongqing Yaoyou and Fosun Pharma Development, pursuant to which Fosun Pharma Development has agreed to transfer the entire equity interest in Carelife Pharmaceutical to Chongqing Yaoyou at a consideration of RMB118,330,200 (equivalent to approximately HK\$134,202,307)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the PRC, 11 June 2009

*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 of the Company is Mr. Liu Benren; and the independent non-executive directors of the Company are Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.*

*Unless otherwise stated, amount in RMB has been translated into HK\$ at exchange rate of HK\$1.00 to RMB0.88173 for illustration purposes only. No representation is 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.*