

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

FOSUN 复星

FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 00656)

CONNECTED TRANSACTIONS

PROPOSED SUBSCRIPTION OF A SHARES BY FOSUN GROUP

**PROPOSED SUBSCRIPTION OF NEW SHARES IN GUILIN NANYAO
BY FOSUN PHARMA DEVELOPMENT**

**PROPOSED SUBSCRIPTION OF NEW SHARES IN JIANGSU WANBANG
BY FOSUN PHARMA DEVELOPMENT**

PROPOSED A SHARE ISSUE BY FOSUN PHARMA

Fosun Pharma, a subsidiary of the Company, proposed to issue additional A Shares at the Subscription Price by way of private placement to Fosun Group, a wholly owned subsidiary of the Company, and other designated investors to raise funding in order to satisfy its operation need.

As none of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the deemed disposal by the Company arising from the A Share Issue exceeds 5%, the A Share Issue is exempt from the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

PROPOSED SUBSCRIPTION OF A SHARES BY FOSUN GROUP

On 26 June 2009, Fosun Group entered into the Share Subscription Agreement with Fosun Pharma, pursuant to which, Fosun Group has agreed to participate in the A Share Issue and subscribe for certain number of A Shares of Fosun Pharma, representing not more than 30% of the aggregate number of A Shares under the A Share Issue, at the Subscription Price for an aggregate amount of not more than RMB600,000,000 (equivalent to approximately HK\$680,549,884).

Fosun Pharma (via Fosun Pharma Development) is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company. Fosun Group is a wholly owned subsidiary of the Company. The transaction contemplated under the Share Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Share Subscription Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

PROPOSED SUBSCRIPTION OF NEW SHARES IN GUILIN NANYAO BY FOSUN PHARMA DEVELOPMENT

Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Guilin Nanyao Capital Injection Agreement with the Guilin Nanyao Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 105,900,000 ordinary shares of par value RMB1.00 each in the share capital of Guilin Nanyao at the subscription price of RMB1.70 per share for an aggregate amount of RMB180,030,000 (equivalent to approximately HK\$204,198,993), representing 56.24% of the enlarged issued share capital of Guilin Nanyao.

Fosun Pharma Development is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company. Guilin Nanyao, being a non wholly owned subsidiary of Fosun Pharma Development, is a member of the Group. The transaction contemplated under the Guilin Nanyao Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Guilin Nanyao Capital Injection Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

PROPOSED SUBSCRIPTION OF NEW SHARES IN JIANGSU WANBANG BY FOSUN PHARMA DEVELOPMENT

Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Jiangsu Wanbang Capital Injection Agreement with the Jiangsu Wanbang Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 61,920,000 ordinary shares of par value RMB1.00 each in the share capital of Jiangsu Wanbang at the subscription price of RMB6.00 per share for an aggregate amount of RMB371,520,000 (equivalent to approximately HK\$421,396,488), representing 53.42% of the enlarged issued share capital of Jiangsu Wanbang.

Fosun Pharma Development is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company. Jiangsu Wanbang, being a non wholly owned subsidiary of Fosun Pharma Development, is a member of the Group. The transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

INTRODUCTION

Fosun Pharma, a subsidiary of the Company, proposed to issue additional A Shares at the Subscription Price by way of private placement to Fosun Group, a wholly owned subsidiary of the Company, and other designated investors to raise funding in order to satisfy its operation need.

On 26 June 2009, Fosun Group entered into the Share Subscription Agreement with Fosun Pharma, pursuant to which, Fosun Group has agreed to participate in the A Share Issue and subscribe for certain number of A Shares of Fosun Pharma, representing not more than 30% of the aggregate number of A Shares under the A Share Issue, at the Subscription Price for an aggregate amount of not more than RMB600,000,000 (equivalent to approximately HK\$680,549,884) at the Subscription Price.

For the purpose of implementation of the projects as set out under the section headed “A Share Issue - Use of Proceeds” below, on 26 June 2009,

- (i) Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Guilin Nanyao Capital Injection Agreement with the Guilin Nanyao Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 105,900,000 ordinary shares of par value RMB1.00 each in the share capital of Guilin Nanyao at the subscription price of RMB1.70 per share for an aggregate amount of RMB180,030,000 (equivalent to approximately HK\$204,198,993), representing 56.24% of the enlarged issued share capital of Guilin Nanyao; and
- (ii) Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Jiangsu Wanbang Capital Injection Agreement with the Jiangsu Wanbang Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 61,920,000 ordinary shares of par value RMB1.00 each in the share capital of Jiangsu Wanbang at the subscription price of RMB6.00 per share for an aggregate amount of RMB371,520,000 (equivalent to approximately HK\$421,396,488), representing 53.42% of the enlarged issued share capital of Jiangsu Wanbang.

A SHARE ISSUE

The particulars of the A Share Issue by Fosun Pharma are as follows:

Issuer:	Fosun Pharma
Type of Security:	A Share of par value of RMB1.00 each
Consideration:	The aggregate subscription prices under the A Share Issue will be settled by the Target Subscribers in cash upon completion of the A Share Issue

- Subscription Price:** After the approval by the CSRC of the A Share Issue, the Subscription Price will be determined by the board of directors of Fosun Pharma in consultation with the sponsor of the A Share Issue after a market price inquiry (市場詢價) and will be no less than RMB13.27, being 90% of the average trading price of the A Shares of Fosun Pharma on the Shanghai Stock Exchange for the 20 trading days preceding the date of the SHSE Announcement, namely 27 May 2009 to 25 June 2009
- Number of A Shares:** The number of A Shares to be issued will be not more than 78,000,000 A Shares and not less than 35,000,000 A Shares
- Target Subscribers:** Up to 10 subscribers, which includes (i) Fosun Group; and (ii) other designated investors
- To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Target Subscribers (other than Fosun Group) and its ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons
- Listing Venue:** Shanghai Stock Exchange
- Method of Issue** The A Share Issue will be conducted by way of private placement within 6 months from the date of the approval by the CSRC of the A Share Issue
- Use of Proceeds:** Fosun Pharma intends to use the net proceeds from the A Share Issue for the following purposes:
- (i) approximately RMB371,470,000 for the implementation of the production project of recombinant human insulin (active pharmaceutical ingredients and finished dosage) (重組人胰島素產業化(原料和制劑)項目)
 - (ii) approximately RMB179,588,000 for the implementation of the model project of artesunate high technology production (青蒿琥酯高技術產業化示範工程項目)

(iii) approximately RMB43,550,000 for the implementation of production base project of in vitro diagnostic instruments (體外診斷產品生產基地項目)

(iv) approximately RMB400,000,000 for the repayment of existing bank facilities

(v) the remaining amount as general working capital

In the event that the amount of fund raised from the A Share Issue is not sufficient for the purposes set out under sub-paragraphs (i) to (iv) above, Fosun Pharma will utilize its internal resources to cover any shortfall

Lock-up Period:

A Shares to be issued to Fosun Group will be subject to a lock-up of 36-month period from the date of completion of the A Share Issue

A Shares to be issued to the Target Subscribers (other than Fosun Group) will be subject to a lock-up of 12-month period from the date of completion of the A Share Issue

SHARE SUBSCRIPTION AGREEMENT

Date

26 June 2009

Parties

(i) Fosun Pharma, as the issuer

(ii) Fosun Group, as a subscriber

Transaction

Pursuant to the Share Subscription Agreement, Fosun Group, a wholly owned subsidiary of the Company, has agreed to participate in the A Share Issue and subscribe for certain number of A Shares of Fosun Pharma, representing not more than 30% of the aggregate number of A Shares under the A Share Issue, at the Subscription Price for an aggregate amount of not more than RMB600,000,000 (equivalent to approximately HK\$680,549,884).

Consideration

The consideration for the A Shares under the Share Subscription Agreement in an aggregate amount of not more than RMB600,000,000 (equivalent to approximately HK\$680,549,884) will be fully settled by Fosun Group in cash by internal resources on a date to be agreed by Fosun Pharma and the sponsor of the A Share Issue after the approval by the CSRC of the A Share Issue.

Subscription Price

After the approval by the CSRC of the A Share Issue, the Subscription Price will be determined by the board of directors of Fosun Pharma in consultation with the sponsor of the A Share Issue after a market price inquiry (市場詢價) and will be no less than RMB13.27, being 90% of the average trading price of the A Shares of Fosun Pharma on the Shanghai Stock Exchange for the 20 trading days preceding the date of the SHSE Announcement, namely 27 May 2009 to 25 June 2009.

Lock-up Period

The A Shares subscribed by Fosun Group under the Share Subscription Agreement will be subject to a lock-up of 36-month period from the date of completion of the A Share Issue.

Conditions Precedent

The completion of the Share Subscription Agreement will be conditional upon the fulfilment of, among other matters, the following conditions precedent:

- (i) the approval of the A Share Issue by the board of directors and the shareholders in general meeting of Fosun Pharma;
- (ii) the approval of the Share Subscription Agreement by the board of directors and the shareholders in general meeting of Fosun Pharma;
- (iii) the approval of the Share Subscription Agreement by the board of directors of Fosun Group; and
- (iv) the obtaining of all necessary consents, permits or approvals from the CSRC in relation to the A Share Issue.

In the event that any of the above conditions precedent is not fulfilled, the Share Subscription Agreement will be terminated and Fosun Group will not participate in the A Share Issue. The A Share Issue will nevertheless proceed if the conditions precedent (i) and (iv) above are duly fulfilled.

Financial Information of Fosun Pharma

Based on the audited accounts of Fosun Pharma for the financial year ended 31 December 2008 prepared in accordance with the PRC General Accepted Accounting Principles, the book value of net asset attributable to equity holders of Fosun Pharma was RMB4,008,859,534 (equivalent to approximately HK\$4,547,048,153) as of 31 December 2008.

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

	For the financial year ended 31 December	
	2007	2008
	RMB	RMB
Net profit before taxation and extraordinary items	756,374,587	835,675,877
Net profit after taxation and extraordinary items	690,188,169	760,931,178

Reasons for the A Share Issue and the Share Subscription Agreement

The Company is of the view that the A Share Issue and the Share Subscription Agreement will provide additional funding to Fosun Pharma, which will be able to (i) further improve the capital structure and cashflow position of Fosun Pharma; and (ii) further increase the market share of Fosun Pharma in the pharmaceutical industry and the overall profitability of the Group by way of the implementation of the projects as set out under the section headed “A Share Issue - Use of Proceeds” above.

Dilution Effect of the Proposed A Share Issue and the Share Subscription Agreement

As at the date of this announcement, Fosun Pharma is owned as to 49.03% by the Company (via Fosun Group) and is a subsidiary of the Company.

Minimum Dilution Effect

After completion of the A Share Issue (assuming (i) 35,000,000 A Shares are issued by Fosun Pharma, being the minimum number of A Shares to be issued under the A Share Issue; and (ii) Fosun Group subscribes for 10,500,000 A Shares, being 30% of the number of A Shares under the A Shares Issue), Fosun Pharma will be owned as to 48.51% by the Company (via Fosun Group) and continue to be a subsidiary of the Company.

Maximum Dilution Effect

In the event that the Share Subscription Agreement is terminated under the section headed “Share Subscription Agreement — Conditions Precedent” above and Fosun Group does not participate in the A Share Issue, after completion of the A Share Issue (assuming 78,000,000 A Shares are issued by Fosun Pharma, being the maximum number of A Shares to be issued under the A Share Issue), Fosun Pharma will be owned as to 46.12% by the Company (via Fosun Group) and continue to be a subsidiary of the Company.

Effects on Shareholding Structure of Fosun Pharma

Minimum Dilution Effect

The effects of the A Share Issue and the transaction contemplated under the Share Subscription Agreement on the shareholding structure of Fosun Pharma are shown as follows (assuming (i) 35,000,000 A Shares are issued by Fosun Pharma, being the minimum number of A Shares to be issued under the A Share Issue; and (ii) Fosun Group subscribes for 10,500,000 A Shares, being 30% of the number of A Shares under the A Shares Issue):

	Shareholding as of the date of this announcement		Shareholding upon completion of the A Share Issue	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
The Company (via Fosun Group)	606,899,686	49.03%	617,399,686	48.51%
Other Shareholders	<u>630,875,223</u>	<u>50.97%</u>	<u>655,375,223</u>	<u>51.49%</u>
Total:	<u>1,237,774,909</u>	<u>100.00%</u>	<u>1,272,774,909</u>	<u>100.00%</u>

Maximum Dilution Effect

The effects of the A Share Issue on the shareholding structure of Fosun Pharma are shown as follows (assuming the Share Subscription Agreement is terminated under the section headed “Share Subscription Agreement — Conditions Precedent” above and assuming 78,000,000 A Shares are issued by Fosun Pharma, being the maximum number of A Shares to be issued under the A Share Issue):

	Shareholding as of the date of this announcement		Shareholding upon completion of the A Share Issue	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
The Company (via Fosun Group)	606,899,686	49.03%	606,899,686	46.12%
Other Shareholders	<u>630,875,223</u>	<u>50.97%</u>	<u>708,875,223</u>	<u>53.88%</u>
Total:	<u>1,237,774,909</u>	<u>100.00%</u>	<u>1,315,774,909</u>	<u>100.00%</u>

Hong Kong Listing Rules Implications

A Share Issue

As none of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the deemed disposal by the Company arising from the A Share Issue exceeds 5%, the A Share Issue is exempt from the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Share Subscription Agreement

Fosun Pharma (via Fosun Pharma Development) is a substantial shareholder of Forte, a subsidiary of the Company, and is therefore a connected person of the Company. Fosun Group is a wholly owned subsidiary of the Company. The transaction contemplated under the Share Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Share Subscription Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

General

The Company confirms that there is no other transaction entered into between any member of the Group and the Target Subscribers (other than Fosun Group) or their respective Associates within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the A Share Issue, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Hong Kong Listing Rules.

The Company confirms that there is no other transaction entered into between any member of the Group and Fosun Pharma 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 contemplated under the Share Subscription Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Target Subscribers (other than Fosun Group) and its ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons.

The Directors (including the independent non-executive Directors) are of the view that the terms of the A Share Issue and the Share Subscription Agreement (i) are on normal commercial terms; and (ii) are fair and reasonable and in the interests of the Shareholders as a whole.

GUILIN NANYAO CAPITAL INJECTION AGREEMENT

On 26 June 2009, Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Guilin Nanyao Capital Injection Agreement with the Guilin Nanyao Shareholders.

Date

26 June 2009

Parties

- (i) Fosun Pharma Development
- (ii) the Guilin Nanyao Shareholders

Transaction

Pursuant to the Guilin Nanyao Capital Injection Agreement, Fosun Pharma Development has agreed to subscribe for 105,900,000 ordinary shares of par value RMB1.00 each in the share capital of Guilin Nanyao at the subscription price of RMB1.70 per share for an aggregate amount of RMB180,030,000 (equivalent to approximately HK\$204,198,993), representing 56.24% of the enlarged issued share capital of Guilin Nanyao.

Upon completion of the subscription, the registered capital of Guilin Nanyao will be increased from RMB82,400,000 (equivalent to approximately HK\$93,462,184) to RMB188,300,000 (equivalent to approximately HK\$213,579,239).

Consideration

The consideration for the 105,900,000 new shares in the share capital of Guilin Nanyao under the Guilin Nanyao Capital Injection Agreement in the amount of RMB180,030,000 (equivalent to approximately HK\$204,198,993) will be fully settled by Fosun Pharma Development in cash by the proceeds of the A Share Issue within 15 days of the completion thereof.

Subscription Price

The Subscription Price was arrived at after arm's length negotiations between the parties to the Guilin Nanyao Capital Injection Agreement with reference to the audited net asset value of Guilin Nanyao in the amount of RMB150,439,646 (equivalent to approximately HK\$170,636,139) as at 31 December 2008, after taking into account of the dividend declared in the amount of RMB10,328,124.51 (equivalent to approximately HK\$11,714,673) for the year ended 31 December 2008.

Lock-up Period

The new shares subscribed by Fosun Pharma Development under the Guilin Nanyao Capital Injection Agreement will not be subject to any lock-up period.

Conditions Precedent

The completion of the Guilin Nanyao Capital Injection Agreement will be conditional upon the fulfillment of, among other matters, the following conditions precedent:

- (i) the due execution of the Guilin Nanyao Capital Injection Agreement by the parties; and

(ii) the completion of the A Share Issue.

Financial Information of Guilin Nanyao

Based on the audited accounts of Guilin Nanyao for the financial year ended 31 December 2008 prepared in accordance with the PRC General Accepted Accounting Principles, the book value of net asset attributable to equity holders of Guilin Nanyao was RMB150,439,646 (equivalent to approximately HK\$170,636,139) as of 31 December 2008.

The following table shows the audited financial information of Guilin Nanyao prepared in accordance with PRC General Accepted Accounting Principles for the two financial years ended 31 December 2007 and 31 December 2008, respectively:

	For the financial year ended 31 December	
	2007	2008
	<i>RMB</i>	<i>RMB</i>
Net profit before taxation and extraordinary items	28,939,766	19,135,790
Net profit after taxation and extraordinary items	22,972,539	17,211,388

Use of Proceeds and Reasons for entering into the Guilin Nanyao Capital Injection Agreement

Guilin Nanyao intends to use the net proceeds from the the Guilin Nanyao Capital Injection Agreement for the implementation of its model project of artesunate high technology production (青蒿琥酯高技術產業化示範工程項目) as set out under the section headed “A Share Issue - Use of Proceeds” above.

Financial Effect of the Transaction contemplated under the Guilin Nanyao Capital Injection Agreement

As at the date of this announcement, Guilin Nanyao is owned as to 96.82% by Fosun Pharma Development (via Guilin Pharma) and is a subsidiary of the Company. After completion of the transaction contemplated under the Guilin Nanyao Capital Injection Agreement, Guilin Nanyao will be owned as to 98.61% by Fosun Pharma Development (by itself and via Guilin Pharma) and continue to be a subsidiary of the Company.

There will be no effects on the assets and liabilities of the Group as a result of the transaction contemplated under the Guilin Nanyao Capital Injection Agreement.

Effects on Shareholding Structure of Guilin Nanyao

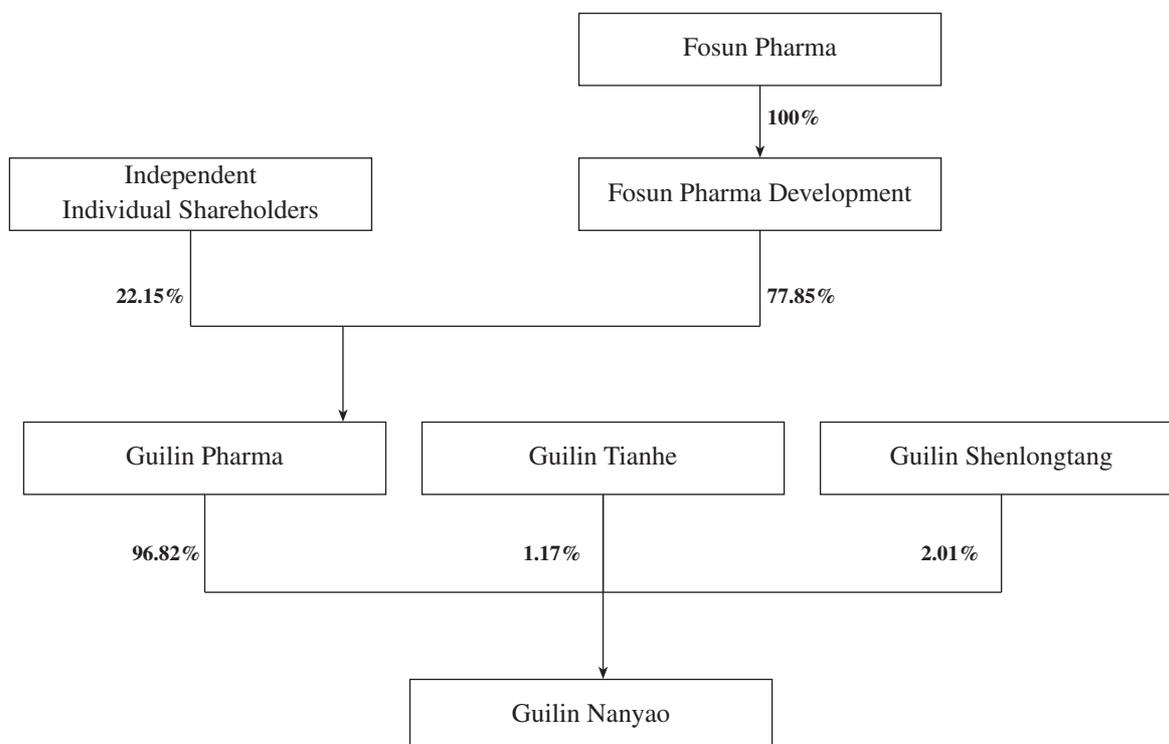
The effects of the transaction contemplated under the Guilin Nanyao Capital Injection Agreement on the shareholding structure of Guilin Nanyao are shown as follows:

	Shareholding as of the date of this announcement		Shareholding upon completion of the share subscription	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Fosun Pharma Development	0	0.00%	105,900,000	56.24%
Guilin Pharma	79,782,300	96.82%	79,782,300	42.37%
Guilin Tianhe	967,400	1.17%	967,400	0.51%
Guilin Shenlongtang	<u>1,650,300</u>	<u>2.01%</u>	<u>1,650,300</u>	<u>0.88%</u>
Total:	<u>82,400,000</u>	<u>100.00%</u>	<u>188,300,000</u>	<u>100.00%</u>

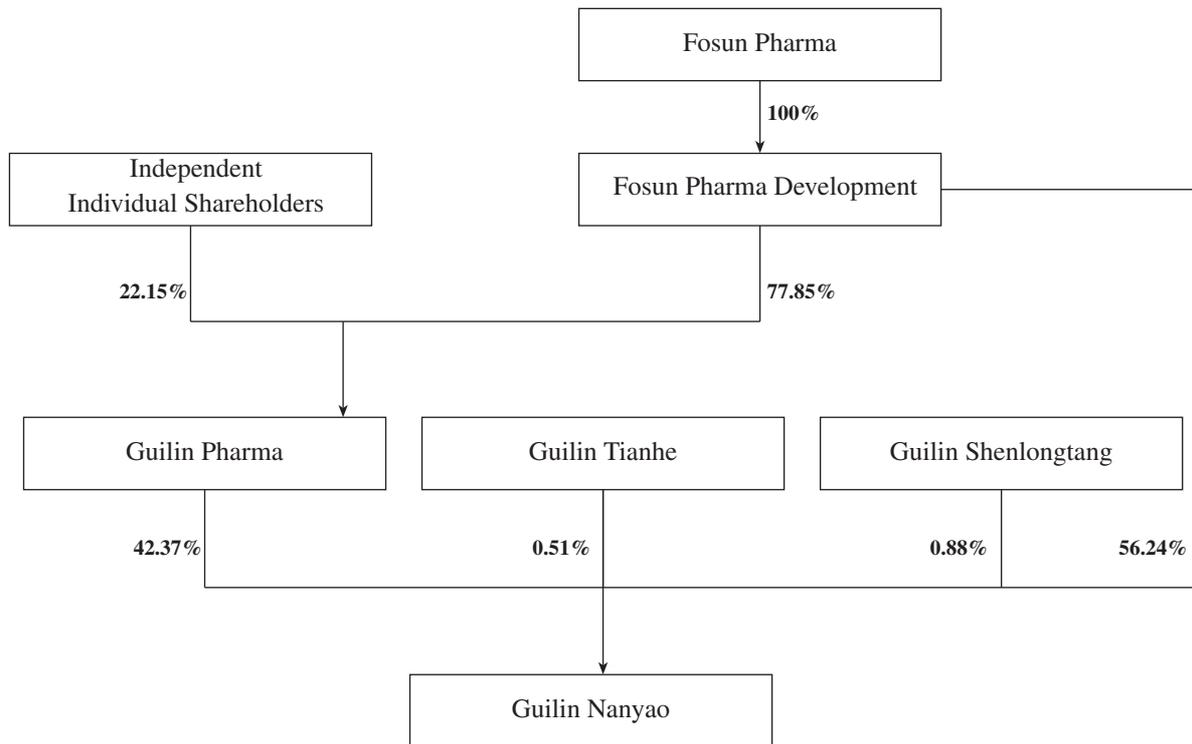
Shareholding Structure of Guilin Nanyao

The shareholding structure of Guilin Nanyao before and after the completion of the Guilin Nanyao Capital Injection Agreement is set out below:

Before Completion



After Completion



Hong Kong 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. Guilin Nanyao, being a non wholly owned subsidiary of Fosun Pharma Development, is a member of the Group. The transaction contemplated under the Guilin Nanyao Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Guilin Nanyao Capital Injection Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

General

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 contemplated under the Guilin Nanyao Capital Injection Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Guilin Nanyao Shareholders (other than Guilin Pharma) and its ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transaction contemplated under the Guilin Nanyao Capital Injection Agreement (i) are on normal commercial terms; and (ii) are fair and reasonable and in the interests of the Shareholders as a whole.

JIANGSU WANBANG CAPITAL INJECTION AGREEMENT

On 26 June 2009, Fosun Pharma Development, a wholly owned subsidiary of Fosun Pharma, entered into the Jiangsu Wanbang Capital Injection Agreement with the Jiangsu Wanbang Shareholders.

Date

26 June 2009

Parties

- (i) Fosun Pharma Development
- (ii) the Jiangsu Wanbang Shareholders

Transaction

Pursuant to the Jiangsu Wanbang Capital Injection Agreement, Fosun Pharma Development has agreed to subscribe for 61,920,000 ordinary shares of par value RMB1.00 each in the share capital of Jiangsu Wanbang at the subscription price of RMB6.00 per share for an aggregate amount of RMB371,520,000 (equivalent to approximately HK\$421,396,488), representing 53.42% of the enlarged issued share capital of Jiangsu Wanbang.

Upon completion of the subscription, the registered capital of Jiangsu Wanbang will be increased from RMB54,000,000 (equivalent to approximately HK\$61,249,490) to RMB115,920,000 (equivalent to approximately HK\$131,482,238).

Consideration

The consideration for the 61,920,000 new shares in the share capital of Jiangsu Wanbang under the Jiangsu Wanbang Capital Injection Agreement in the amount of RMB371,520,000 (equivalent to approximately HK\$421,396,488) will be fully settled by Fosun Pharma Development in cash by the proceeds of the A Share Issue within 15 days of the completion thereof.

Subscription Price

The Subscription Price was arrived at after arm's length negotiations between the parties to the Jiangsu Wanbang Capital Injection Agreement with reference to 2.07 times of the audited net asset attributable to equity holders of Jiangsu Wanbang in the amount of RMB323,803,416 (equivalent to approximately HK\$367,273,962) as at 31 December 2008.

Lock-up Period

The new shares subscribed by Fosun Pharma Development under the Jiangsu Wanbang Capital Injection Agreement will not be subject to any lock-up period.

Conditions Precedent

The completion of the Jiangsu Wanbang Capital Injection Agreement will be conditional upon the fulfillment of, among other matters, the following conditions precedent:

- (i) the due execution of the Jiangsu Wanbang Capital Injection Agreement by the parties; and
- (ii) the completion of the A Share Issue.

Financial Information of Jiangsu Wanbang

Based on the audited accounts of Jiangsu Wanbang for the financial year ended 31 December 2008 prepared in accordance with the PRC General Accepted Accounting Principles, the book value of net asset attributable to equity holders of Jiangsu Wanbang was RMB156,426,771 (equivalent to approximately HK\$177,427,035) as of 31 December 2008.

The following table shows the audited financial information of Jiangsu Wanbang prepared in accordance with PRC General Accepted Accounting Principles for the two financial years ended 31 December 2007 and 31 December 2008, respectively:

	For the financial year	
	ended 31 December	
	2007	2008
	<i>RMB</i>	<i>RMB</i>
Net profit before taxation and extraordinary items	30,727,626	42,870,581
Net profit after taxation and extraordinary items	30,394,250	37,477,428

Use of Proceeds and Reasons for entering into the Jiangsu Wanbang Capital Injection Agreement

Jiangsu Wanbang intends to use the net proceeds from the Jiangsu Wanbang Capital Injection Agreement for the implementation of its production project of recombinant human insulin (active pharmaceutical ingredients and finished dosage) (重組人胰島素產業化(原料和制劑)項目) as set out under the section headed “A Share Issue - Use of Proceeds” above.

Financial Effect of the Transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement

As at the date of this announcement, Jiangsu Wanbang is owned as to 95.20% by Fosun Pharma Development and is a subsidiary of the Company. After completion of the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement, Jiangsu Wanbang will be owned as to 97.76% by Fosun Pharma Development and continue to be a subsidiary of the Company.

There will be no effects on the assets and liabilities of the Group as a result of the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement.

Effects on Shareholding Structure of Jiangsu Wanbang

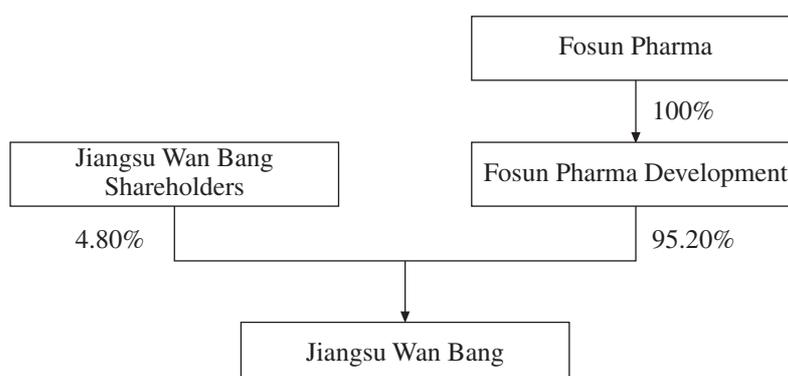
The effects of the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement on the shareholding structure of Jiangsu Wanbang are shown as follows:

	Shareholding as of the date of this announcement		Shareholding upon completion of the share subscription	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Fosun Pharma Development Jiangsu Wanbang Shareholders	51,408,000	95.20%	113,328,000	97.76%
	<u>2,592,000</u>	<u>4.80%</u>	<u>2,592,000</u>	<u>2.24%</u>
Total:	<u>54,000,000</u>	<u>100.00%</u>	<u>115,920,000</u>	<u>100.00%</u>

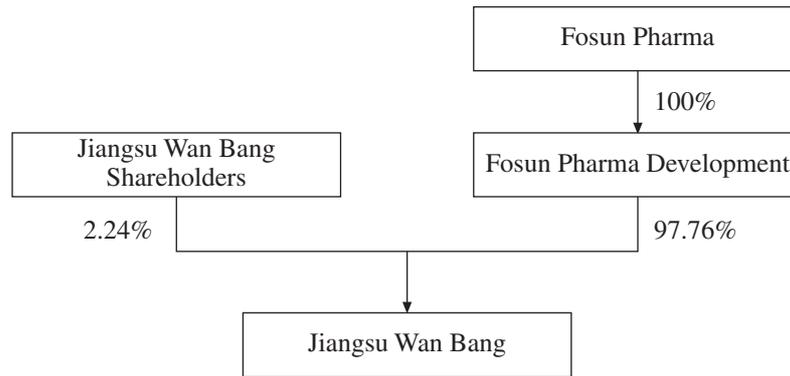
Shareholding Structure of Jiangsu Wanbang

The shareholding structure of Jiangsu Wanbang before and after the completion of the Jiangsu Wanbang Capital Injection Agreement is set out below:

Before Completion



After Completion



Hong Kong 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. Jiangsu Wanbang, being a non wholly owned subsidiary of Fosun Pharma Development, is a member of the Group. The transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement exceed 0.1% but below 2.5%, such transaction constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is only 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(2) of the Hong Kong Listing Rules.

General

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 contemplated under the Jiangsu Wanbang Capital Injection Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Jiangsu Wanbang Shareholders (other than Fosun Pharma Development) and its ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transaction contemplated under the Jiangsu Wanbang Capital Injection Agreement (i) are on normal commercial terms; and (ii) are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTIONS

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.

Fosun Group

Fosun Group is a wholly owned subsidiary of the Company. The principal activity of Fosun Group is investment holding.

Fosun Pharma

Fosun Pharma is a non wholly owned subsidiary of the Company. It is principally engaged in the manufacturing, research and development, wholesaling and retailing of pharmaceutical products.

Fosun Pharma Development

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

Guilin Pharma

Guilin Pharma is a non wholly owned subsidiary of the Company. It is principally engaged in manufacturing and sale of pharmaceutical products.

Guilin Nanyao

Guilin Nanyao is a non wholly owned subsidiary of the Company. It is principally engaged in manufacturing and sale of pharmaceutical products.

Guilin Tianhe

Guilin Tianhe is principally engaged in manufacturing of pharmaceutical products.

Guilin Shenlongtang

Guilin Shenlongtang is principally engaged in manufacturing, sale, research and development of pharmaceutical products.

Jiangsu Wanbang

Jiangsu Wanbang is a non wholly owned subsidiary of the Company. It is principally engaged in manufacturing and sale of pharmaceutical products.

Jiangsu Wanbang Shareholders

Each of the Jiangsu Wanbang Shareholders is an individual and is not a connected person of the Company and is a third party independent of the Company and its connected persons.

DEFINITIONS

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

“A Share(s)”	ordinary share(s) of par value of RMB1.00 each in the share capital of Fosun Pharma
“A Share Issue”	the proposed issue by Fosun Pharma of additional A Shares at the Subscription Price by way of private placement to Fosun Group and other designated investors to raise funding in order to satisfy its operation need
“Associate”	has the same meanings ascribed thereto under the Hong Kong 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 Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission
“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 Hong Kong 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 A 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
“Guilin Pharma”	Guilin Pharmaceutical Corporation Limited (桂林製藥有限責任公司), a limited liability company incorporated under the laws of the PRC
“Guilin Nanyao”	Guilin Nanyao Company Limited (桂林南藥股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability
“Guilin Tianhe”	Guilin Tianhe Pharmaceutical Company Limited (桂林天和藥業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability
“Guilin Shenlongtang”	Guilin Shenlongtang Biopharmaceutical Company Limited (桂林神龍堂生物製品有限公司), a limited liability company incorporated under the laws of the PRC

“Guilin Nanyao Capital Injection Agreement”	a capital injection agreement dated 26 June 2009 and entered into between Fosun Pharma Development and the Guilin Nanyao Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 105,900,000 ordinary shares of par value RMB1.00 each in the share capital of Guilin Nanyao at the subscription price of RMB1.70 per share for an aggregate amount of RMB180,030,000 (equivalent to approximately HK\$204,198,993)
“Guilin Nanyao Shareholders”	Guilin Pharma, Guilin Taihe and Guilin Shenlongtang, being the existing shareholders of Guilin Nanyao as at the date of this announcement
“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
“Jiangsu Wanbang”	Jiangsu Wanbang Biopharmaceutical Company Limited (江蘇萬邦生化醫藥股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability
“Jiangsu Wanbang Capital Injection Agreement”	a capital injection agreement dated 26 June 2009 and entered into between Fosun Pharma Development and the Jiangsu Wanbang Shareholders, pursuant to which, Fosun Pharma Development has agreed to subscribe for 61,920,000 ordinary shares of par value RMB1.00 each in the share capital of Jiangsu Wanbang at the subscription price of RMB6.00 per share for an aggregate amount of RMB371,520,000 (equivalent to approximately HK\$421,396,488)
“Jiangsu Wanbang Shareholders”	Li Xianlin, Wu Yifang, Wu Shibin, Peng Hongquan and Zong Xinsong, being the other existing shareholders of Jiangsu Wanbang (other than Fosun Pharma Development) as at the date of this announcement
“PRC”	the People’s Republic of China

“RMB”	Renminbi yuan, the lawful currency of the PRC
“SHSE Announcement”	an announcement dated 26 June 2009 and issued and published by Fosun Pharma in relation to the resolutions passed by its board of directors in respect of the A Share Issue on the website of the Shanghai Stock Exchange
“Shareholders”	the shareholders of the Company
“Share Subscription Agreement”	a share subscription agreement dated 26 June 2009 and entered into between Fosun Group and Fosun Pharma, pursuant to which, Fosun Group has agreed to participate in the A Share Issue and subscribe for certain number of A Shares of Fosun Pharma, representing not more than 30% of the aggregate number of A Shares under the A Share Issue, at the Subscription Price for an aggregate amount of not more than RMB600,000,000 (equivalent to approximately HK\$680,549,884)
“Subscription Price”	the subscription price of each A Share under the A Share Issue
“Target Subscribers”	the subscribers of the A Share Issue, which includes (i) Fosun Group; and (ii) other designated investors

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 26 June 2009

As at the date of this announcement, the Company’s executive directors are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetang 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.

Unless otherwise stated, amount in RMB has been translated into HK\$ at exchange rate of HK\$1.00 to RMB0.88164 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.