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**FOSUN 复星**

**FOSUN INTERNATIONAL LIMITED**

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

**(Stock Code: 00656)**

## **ISSUANCE OF US\$300,000,000 7.5% SENIOR NOTES**

Reference is made to the announcement of the Company dated 26 April 2011 in relation to the Notes Issue. On 5 May 2011, the Company and the Initial Subsidiary Guarantors entered into the Purchase Agreement with Goldman Sachs, Standard Chartered Bank and UBS in connection with the issue of US\$300,000,000 7.5% senior notes due 2016.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$293 million and the Company intends to use the net proceeds to repay existing indebtedness and to repay part of the bridge loan from Standard Chartered Bank (Hong Kong) Limited in relation to the H share offer of Shanghai Forte Land Co., Ltd. and the remainder for general corporate purposes, including but not limited to increasing the investments in the Company's core business segments, making other investments and for working capital and capital expenditures.

Approval in-principle has been obtained for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST or quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong.

Reference is made to the announcement of the Company dated 26 April 2011 in relation to the Notes Issue. The Board is pleased to announce that on 5 May 2011 (New York time), the Company and the Initial Subsidiary Guarantors entered into the Purchase Agreement with Goldman Sachs, Standard Chartered Bank and UBS in relation to the Notes Issue in the aggregate principal amount of US\$300,000,000.

The Notes are expected to be issued on or about 12 May 2011.

## **THE PURCHASE AGREEMENT**

Date            5 May 2011

Parties        (a) the Company as the issuer;

                  (b) the Initial Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes and the Indenture; and

                  (c) Goldman Sachs, Standard Chartered Bank and UBS as the initial purchasers.

Goldman Sachs, Standard Chartered Bank and UBS are the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Goldman Sachs, Standard Chartered Bank and UBS is an independent third party and not a connected person of the Company.

The Notes and the related guarantees have not been, and will not be, registered under the U.S. Securities Act. Accordingly, the Notes are being offered or sold in the United States only to qualified institutional buyers, as defined in, and in reliance on the exemption from the registration requirements of the U.S. Securities Act under Rule 144A or outside the United States in offshore transaction in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

## **Principal terms of the Notes**

### *Notes offered*

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300,000,000 which will mature on 12 May 2016, unless earlier redeemed pursuant to the terms thereof.

### *Issue price*

The issue price of the Notes will be 100% of the principal amount of the Notes.

### *Interest*

The Notes will bear interest from and including 12 May 2011 at the rate of 7.5% per annum, payable semi-annually in arrears.

### *Ranking of the Notes*

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the other secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

### *Events of default*

The events of default under the Notes include, among others:

- (i) default in the payment of principal of (or premium, if any, on) the Notes;
- (ii) default in the payment of interest on the Notes that continues for a period of 30 consecutive days;
- (iii) defaults in the performance or breaches of provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure by the Company to create, or cause its Restricted Subsidiaries to create, a first priority lien on the collateral in accordance with the covenants as described in the Indenture;

- (iv) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than the default specified in (i), (ii) and (iii) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of the Notes of 25% or more in aggregate principal amount of the Notes;
- (v) there occurs with respect to any indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$5 million (or the Dollar Equivalent thereof) or more in the aggregate for all such indebtedness;
- (vi) one or more final judgments or orders for the payment of money are rendered against the Company or any of its Restricted Subsidiaries and are not paid or discharged , and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US\$10 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company's or such Restricted Subsidiary's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (vii) involuntary case or other proceedings against the Company or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (viii) the Company or any Restricted Subsidiary, (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors;

- (ix) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;
- (x) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents that adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or
- (xi) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any security document or, other than in accordance with the Indenture and the security documents, any security document ceases to be or is not in full force and effect or the Trustee ceases to have a first-priority security interest in the Collateral (subject to any Liens permitted to be created over the Collateral under the Indenture).

If an event of default (other than an event of default specified in (vii) or (viii) above) occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders of the Notes), may, and the Trustee at the request of such holders of the Notes shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.

If an event of default specified in (vii) or (viii) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the Notes.

### *Covenants*

The Notes, the Indenture and the Subsidiary Guarantees to be provided by the Subsidiary Guarantors will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:

- (i) incur or guarantee additional indebtedness and issue disqualified or preferred stock;

- (ii) declare dividends on its capital stock or purchase or redeem capital stock;
- (iii) make investments or other specified restricted payments;
- (iv) issue and sell capital stock of Restricted Subsidiaries;
- (v) guarantee indebtedness of the Restricted Subsidiaries;
- (vi) sell assets;
- (vii) create liens;
- (viii) enter into sale and leaseback transactions;
- (ix) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (x) enter into certain transactions with shareholders or affiliates; and
- (xi) effect a consolidation or merger.

*Redemption*

At any time and from time to time on or after 12 May 2014, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on May 12 of each of the years indicated below.

<u>Year</u>	<u>Redemption Price</u>
2014 .....	103.750%
2015 .....	101.875%

The Company may at its option redeem the Notes, in whole but not in part, at any time prior to 12 May 2014, at a redemption price equal to 100% of the principal amount of the Notes, plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 12 May 2014, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of the common stock of the Company in an equity offering at a redemption price of 107.5% of the principal amount of the Notes, plus accrued and

unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

## **ESTIMATED USE OF PROCEEDS**

The Company intends to use the proceeds of the Notes to repay existing indebtedness and to repay part of the bridge loan from Standard Chartered Bank (Hong Kong) Limited in relation to the H share offer of Shanghai Forte Land Co., Ltd. and the remainder for general corporate purposes, including but not limited to increasing the investments in the Company's core business segments, making other investments and for working capital and capital expenditures.

## **LISTING**

Approval in-principle has been received for the listing of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong.

## **RATING**

The Notes have been rated "BB+" by Standard & Poor's Rating Services and "Ba2" by Moody's Investor Services.

## **GENERAL**

Reference is made to the announcement of the Company dated 26 April 2011 in relation to the Notes Issue, which contained an extract of certain corporate and financial information regarding the Company and its subsidiaries, which included certain information that has not previously been made public, including the section headed "Capitalization". An extract of the updated section headed "Capitalization" is attached to this announcement, incorporating the figure for the consolidated cash and bank balances and capitalization as of December 31, 2010 adjusted to give effect to the Notes.

## DEFINITIONS

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

“Board”	the board of Directors
“Collateral”	any and all shares, interests, participations or other equivalents (howsoever designated, whether voting or non-voting) in equity of the Subsidiary Guarantors, whether outstanding on the date of the Notes Issue or issued thereafter, including, without limitation, all common stock and preferred stock that are pledged as security for the Notes
“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 of Hong Kong Limited
“Directors”	the directors of the Company
“Dollar Equivalent”	with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the indenture to govern the Notes
“Initial Subsidiary Guarantors”	Fosun Industrial Holdings Limited, Fosun Gold Holdings Limited, Fosun Property Holdings Limited and Topper Link Limited which are the Company’s existing non-PRC subsidiaries

“JV Subsidiary Guarantee”	a limited recourse guarantee provided by a subsidiary of the Company under certain circumstances and subject to certain conditions as provided in the Indenture
“JV Subsidiary Guarantor”	a Restricted Subsidiary that executes a JV Subsidiary Guarantee
“Lien”	any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind)
“Notes”	USD300,000,000 7.5% senior notes due 2016 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Person”	any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Purchase Agreement”	the agreement entered into between, among others, the Company, the Subsidiary Guarantors, Goldman Sachs, Standard Chartered Bank and UBS in relation to the Notes Issue on 5 May 2011
“Restricted Subsidiary”	any subsidiary of the Company other than an Unrestricted Subsidiary
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors

“Subsidiary Guarantor Pledgors”	any initial Subsidiary Guarantor Pledgor named in the Indenture and any other Subsidiary Guarantor which pledges collateral to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee; <i>provided</i> that a Subsidiary Guarantor Pledgor will not include any person whose pledge under the security documents has been released in accordance with the security documents, the Indenture and the Notes
“Subsidiary Guarantors”	any Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; <i>provided</i> that Subsidiary Guarantor will not include (a) any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes or (b) any JV Subsidiary Guarantor
“Trustee”	The Bank of New York Mellon
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“UBS”	UBS AG, Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Unrestricted Subsidiary”	any subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board in the manner provided in the Indenture, and any subsidiary of an Unrestricted Subsidiary
“US\$”	United States dollars
%	per cent

On behalf of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

Shanghai, the PRC, 6 May 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.*

## CAPITALIZATION

The following table sets forth on an actual basis our audited consolidated cash and bank balances and capitalization as of December 31, 2010 and as adjusted to give effect to the Notes now being issued (after deducting underwriting discounts and commissions and estimated expenses).

	As of December 31, 2010			
	Actual		As adjusted	
	RMB	US\$	RMB	US\$
	(in thousands)			
<b>Cash and bank balances<sup>(1)</sup></b> .....	21,334,977	3,232,572.3	23,268,777	3,525,572.3
<b>Interest-bearing bank and other borrowings</b> .....				
Bank loans .....	35,401,213	5,363,820.2	35,401,213	5,363,820.2
Enterprise bonds <sup>(2)</sup> .....	2,485,329	376,565.0	2,485,329	376,565.0
Corporate bonds <sup>(3)</sup> .....	2,966,591	449,483.5	2,966,591	449,483.5
Medium-term notes <sup>(4)</sup> .....	986,104	149,409.7	986,104	149,409.7
Senior notes to be issued .....	—	—	1,933,800	293,000.0
Other borrowings, secured .....	429,900	65,136.4	429,900	65,136.4
Other borrowings, unsecured .....	<u>1,552,706</u>	<u>235,258.5</u>	<u>1,552,706</u>	<u>235,258.5</u>
Portion classified as short-term debt .....	22,026,769	3,337,389.2	22,026,769	3,337,389.2
Long-term portion .....	<u>21,795,074</u>	<u>3,302,284.1</u>	<u>23,728,874</u>	<u>3,595,284.1</u>
	<u>43,821,843</u>	<u>6,639,673.3</u>	<u>45,755,643</u>	<u>6,932,673.3</u>
<b>Equity</b> .....				
Issued capital .....	621,497	94,166.2	621,497	94,166.2
Reserves .....	28,322,703	4,291,318.6	28,322,703	4,291,318.6
Proposed final dividend .....	928,936	140,747.9	928,936	140,747.9
Non-controlling interests .....	<u>15,125,950</u>	<u>2,291,810.6</u>	<u>15,125,950</u>	<u>2,291,810.6</u>
Total equity .....	<u>44,999,086</u>	<u>6,818,043.3</u>	<u>44,999,086</u>	<u>6,818,043.3</u>
Total capitalization <sup>(5)</sup> .....	<u>66,794,160</u>	<u>10,120,327.4</u>	<u>68,727,960</u>	<u>10,413,327.4</u>

**Notes:**

- Cash and bank balances, as adjusted, include the net cash proceeds of the Notes offered hereby, after deducting underwriting discounts and other estimated expenses related to the offering of the Notes. As of February 28, 2011, our cash and bank balances was RMB15,539.8 million.
- On February 27, 2009, Nanjing Steel United issued long-term enterprise bonds with the par value of RMB2,500 million and the effective interest rate is 6.29% per annum. One half of the principal of the enterprise bonds will be repaid on February 27, 2015 and the remainder on February 27, 2016. The interest will be paid annually in arrears.
- On September 25, 2009, Forte issued five-year domestic corporate bonds with the par value of RMB1,900 million and the effective interest rate is 7.73% per annum. The interest will be paid annually in arrears and the maturity date is September 22, 2014. On December 24, 2010, Fosun Group issued seven-year domestic corporate bonds with the par value of RMB1,100 million and the effective interest rate is 6.17% per annum. The interest will be paid annually in arrears and the maturity date is December 23, 2017.
- On November 8, 2010, Fosun Pharma issued five-year medium-term notes (first phase) with the par value of RMB1,000 million and the effective interest rate is 5.0% per annum. The interest will be paid annually in arrears and the maturity date is November 10, 2015.
- Total capitalization includes total long-term debt plus total equity.

The above capitalization table does not take into account the bridge loan facility we have entered into with Standard Chartered Bank (Hong Kong) Limited in connection with the Forte Offer. As of the date of this offering memorandum we had drawn-down approximately HK\$2,345 million under the facility. We intend to use a portion of the net proceeds from this offering to repay part of this bridge loan.

Except as otherwise disclosed in this offering memorandum, there has been no material adverse change in our capitalization since December 31, 2010.