

# Fosun Newsletter

July-August 2015



## Highlight

### Stock Information (As at 31 August 2015)

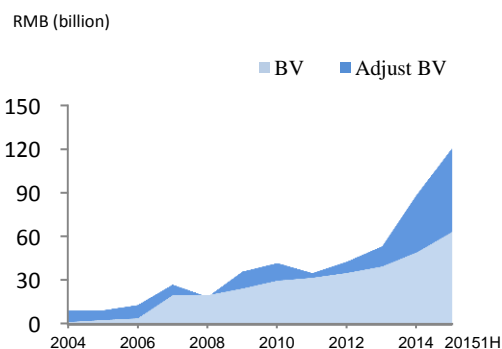
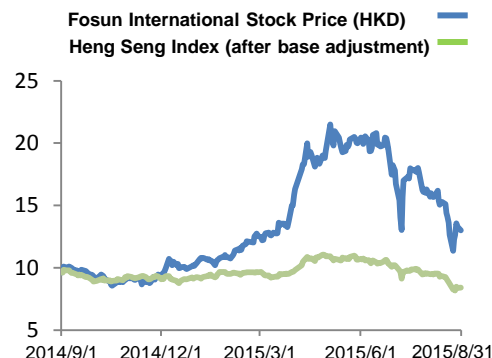
Stock Price.....	HKD 13.00
52-week range.....	HKD 8.56-21.50
Total shares (mn shares).....	7,742.70
Market Value (HKD bn).....	141.22

### Fosun's "Insurance + Investment" Model Achieved Unparalleled Success, Interim Results Yielded Excellent Accomplishments

On 28 August 2015, Fosun International announced its interim results for 2015. As at 30 June 2015, Fosun's net assets attributable to owners of the parent reached RMB63.315 billion, up 28.1% from the end of last year. Profit attributable to owners of the parent was RMB3.617 billion, up 97.2% year-on-year. Continuing to implement its unique "insurance + investment" twin-driver core strategy, Fosun accomplished further enhancements on both the financing-end and investment-end as well as the optimization of the overall asset structure during the first half of 2015. The twin-driver, empowered by the "Insurance-oriented Comprehensive Financial Capability" and "Global Industrial Integration Capability Taking Roots in China", is now significantly stronger than any period in Fosun's corporate history.

### Fosun Pharma Announces Interim Results: Net Profit Increased by 28.10% Year on Year

On 25 August 2015, Fosun Pharmaceutical announced its 2015 interim results. In the first half of 2015, Fosun Pharmaceutical realized revenue of RMB5,871 million, representing an increase of 6.71% as compared to the corresponding period of 2014. Excluding the impact of the disposal of three companies, namely Fosun Pharmaceutical, For Me Yixing Pharmacy and Beijing Golden Elephant Pharmacy, under pharmaceutical distribution and retail segment and the new acquisition of Erye Pharmaceutical, the revenue would have increased by 17.51% on the same basis as compared with the corresponding period of 2014. Of which, Fosun Pharmaceutical realized revenue of RMB4,077 million in pharmaceutical manufacturing and research and development (R&D) segment, representing an increase of 21.34% as compared to the corresponding period of 2014. Revenue from healthcare service business amounted to RMB674 million, representing an increase of 22.55% as compared to the corresponding period of 2014. Net profit attributable to shareholders of the listed company amounted to RMB1,303 million for the first half of 2015, representing a significant increase of 28.10% as compared to the corresponding period of 2014.



## Integrated Finance

### Insurance

Gross Premium Written (thousand RMB)	Yong'an P&C Insurance	Pramerica Fosun Life Insurance
June 2015	636,363.20	5,007.90
July 2015	633,479.10	3,782.20
<b>January - July 2015</b>	<b>4,629,879.20</b>	<b>30,931.40</b>

Note: Fosun Insurance Portugal, Peak Re, Ironshore, MIG and Phoenix don't announce the monthly gross premium written.

**Fosun Completes Acquisition of Meadowbrook Insurance Group**

On 7 July 2015 (U.S. time), Fosun and Meadowbrook announced the completion of Fosun’s acquisition of Meadowbrook. On 7 July 2015 (U.S. time), all conditions precedent set out in the Merger Agreement had been satisfied, and the acquisition had been completed on the same day. In connection with the acquisition, Meadowbrook Common Stock has been delisted and ceased trading on the New York Stock Exchange as of the close of trading on 7 July 2015 (U.S. time).

**Business Operation**

**Club Med and Thomas Cook Launch a New Strategic Partnership**

On 21 July 2015 (London Time) Peter Fankhauser, Chief Executive Officer of Thomas Cook, and Henri Giscard d’Estaing, Chairman and Chief Executive Officer of Club Med, have launched a strategic three-year partnership to cover Europe. The new agreement will consolidate the existing collaboration between both travel companies, focusing on the delivery of joint marketing activities; and valuating possibilities for working together on transport for both short and long-haul destinations. The strategic partnership will deepen Club Med’s current relationship in France with Thomas Cook, aiming to achieve significant growth through Thomas Cook’s sales channels by 2018, to attract new customers in the UK, Germany, Finland, Sweden, Denmark, Norway, Russia, Belgium, the Netherlands, Poland, the Czech Republic and Hungary.

**Forte**

	<b>Attributable Sales GFA (sq.m.)</b>	<b>Attributable Sales Amount (RMB mn)</b>
July 2015	69,425	1,086
August 2015	127,278	1,894
January –August 2015	<b>523,920</b>	<b>7,737</b>

**Investment Projects**

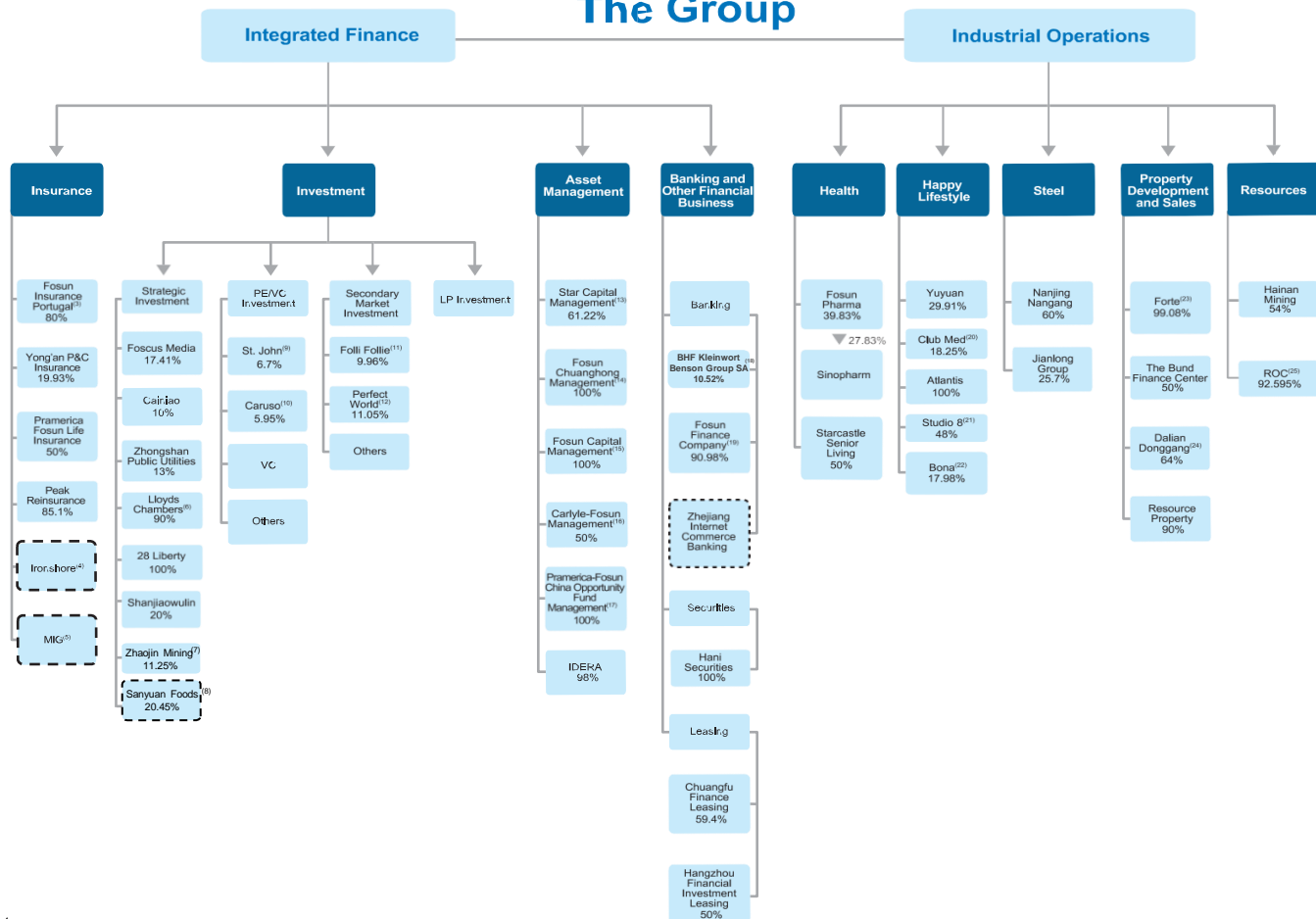
**Strategic Investor Fosun in Acquisition of Private Bank Hauck & Aufhäuser (“H&A”)**

On 7 July 2015, Fosun through its wholly-owned subsidiary submitted to the owners of H&A a binding offer to purchase the bank. The offer has been accepted by a number of shareholders which hold more than 80% of the registered no-par value ordinary shares in H&A as of 7 July 2015 (Germany time). As defined in the offer, subject to how many of the other H&A Shareholders accept the Offer, the maximum amount of the Purchase Price for the Target Shares (if all of the H&A Shareholders accept the Offer) shall be EUR 210,000,000. The planned transaction is subject to review by the relevant supervisory authorities. Shares are to be transferred at the earliest possible date following the approval by the authorities. H&A is a private bank with a longstanding tradition, a strong brand, a clear-cut business model and a top-notch service portfolio in business with institutional and private clients in Germany. As a newly-joined majority shareholder and given its global strength, long-term orientation and extensive experience in the financial services market, Fosun will lay a sound foundation for H&A’s onward development.

**Fosun Acquires Milan’s Historic Landmark Palazzo Broggi**

On 29 July 2015, Fosun announced that its insurance subsidiary had successfully acquired Milan’s historic landmark Palazzo Broggi, a commercial / office building located in the heart of Milan, Piazza Cordusio. This has been the significant investment of Fosun Property in Continental Europe and became the second core asset acquisition after Lloyds Chambers in the city of London in October 2013. Palazzo Broggi is a historic landmark that located in the heart of the city, situating within Milan’s commercial, cultural and artistic center, next to the historic Piazza del Duomo and famous elegant shopping destination Galleria Vittorio Emanuele II. It is a 47,000-square-meter building and its history can be traced back to the beginning of 20<sup>th</sup> Century, currently serving as the headquarter of the biggest Italian bank UniCredit.

**The Group**



**Notes:**

- Shareholding held percentages represent effective equity interests as at 31 December 2014.
- Dotted line indicates the projects which were not yet closed or projects under preparation of establishment as at 31 December 2014.
- In January 2015, the Group's equity interest in Fidelidade increased to 84.986%.
- At the beginning of 2015, the Group completed its acquisition of 20% of the total outstanding ordinary shares of Ironshore (on a fully diluted basis).
- In December 2014, the Group entered into a merger agreement with MIG to acquire 100% equity interest in MIG. The acquisition has been completed on 7 July 2015.
- The Group held 90% effective equity interest in Lloyds Chambers as a limited partner and 0.005% effective equity interest as a general partner ("GP").
- The Group held 3.57% equity interest in Zhaojin Mining via its wholly-owned subsidiary Shanghai Fosun Industrial Investment Co., Ltd. In addition, Yuyuan, a 29.91% owned associate of the Group, also held 25.69% equity interest in Zhaojin Mining.
- In February 2014, the Group and a fund managed by the Group entered into a share subscription agreement with Sanyuan Foods to subscribe the shares privately placed by Sanyuan Foods. After the completion of the subscription in February 2015, the Group and the fund held 16.67% and 3.78% equity interest in Sanyuan Foods, respectively.
- The Group held 6.7% effective equity interest in St. John. In addition, Pramerica-Fosun China Opportunity Fund held its 27.2% effective equity interest.
- The Group held 5.95% effective equity interest in Caruso. In addition, Pramerica-Fosun China Opportunity Fund held its 29.05% effective equity interest.
- The Group held 9.96% equity interest in Folli Follie. In addition, Pramerica-Fosun China Opportunity Fund held 3.89% equity interest through its wholly-owned subsidiary.
- The Group held a total equity interest of 11.80% in Perfect World through the Company, its subsidiaries Peak Reinsurance and Fidelidade.
- Shanghai Star Capital Investment Management Co., Ltd., GP of Star Capital.
- Tibet Fosun Investment Management Co., Ltd., GP of Fosun Chuanghong.
- Shanghai Fosun Capital Investment Management Co., Ltd., GP of Fosun Capital.
- Carlyle-Fosun (Shanghai) Equity Investment Management Co., Ltd., GP of Carlyle-Fosun.
- Fosun Equity Investment Ltd., GP of Pramerica-Fosun China Opportunity Fund.
- Billion Infinity, a 51% indirectly owned subsidiary of the Company, whose the other 49% equity interest is owned by Pramerica-Fosun China Opportunity Fund, and Fidelidade jointly owned 19.49% equity interest in BHF Kleinwort Benson Group SA. In March 2015, Billion Infinity and Fidelidade entered into share purchase agreements respectively to acquire additional shares of BHF Kleinwort Benson Group SA. Upon the completion of the acquisition, the Group's total equity interest in BHF Kleinwort Benson Group SA is expected to increase to 28.61%.
- The Group held 100% total equity interest in Fosun Finance Company via Fosun Group, Fosun Pharma and Nanjing Nangang.
- On 23 March 2015, Club Med delisted from the Euronext.
- The Group held 80% equity interest in Class A investors of Studio 8, and the shares held by Class A investors represent 60% of the total share capital of Studio 8.
- The Group held a total equity interest of 20.8% in Bona through its subsidiaries of Orrick Investments Limited, Peak Reinsurance and Fidelidade.
- Results of Forte real estate series fund are included.
- The Group directly held 50% equity interests while the other 50% were held by Star Capital Fund. As a result the Group held its effective equity interest of 64%.
- January 2015, ROC was wholly owned by the Group and officially delisted from the Australian Stock Exchange.

**Contact Us**

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