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FOSUN 复星
復星國際有限公司
FOSUN INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANIES
AND
THE ISSUANCE OF CONSIDERATION SHARES
AND
TERMINATION OF MAJOR TRANSACTIONS
IN RELATION TO
THE INITIAL SALE AND PURCHASE AGREEMENT**

**EXECUTION OF THE FORMAL SALE AND PURCHASE AGREEMENT AND
TERMINATION OF THE INITIAL SALE AND PURCHASE AGREEMENT**

Reference is made to the announcement of the Company dated 25 May 2017 in respect of the entering into the Initial Sale and Purchase Agreement.

As at the date of this announcement, since the construction had fallen behind schedule, the subsequent development of each of the Nanling and Nanyue projects is subject to considerable uncertainties and thus their operating performance is difficult to be guaranteed. Therefore, on 20 November 2017, the Parties have agreed to terminate the Initial Sale and Purchase Agreement, to be replaced by the Formal Sale and Purchase Agreement. Pursuant to the Formal Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at the Consideration, which shall be settled by the Purchaser by way of issue of the Consideration Shares to the Vendors at the Issue Price of RMB9.98 per Consideration Share with a total Consideration of approximately RMB24.23 billion (subject to adjustments (if any)). The Sale Shares represent entire equity interests held by the Vendors in the Target Companies prior to the Reorganization.

Pursuant to the Formal Sale and Purchase Agreement, the obtaining of the approval in respect of the Shanghai Xinyuan Acquisition and the relevant agreement of Shanghai Xinyuan Acquisition being effective are conditions precedent to the Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal is more than 5% and each of them is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios for the Issuance and the Shanghai Xinyuan Acquisition is more than 5% and each of them is less than 25%, the Issuance and the Shanghai Xinyuan Acquisition constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Reorganization is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules. In addition, the Reorganization constitutes a spin-off of the Target Companies pursuant to Practice Note 15 of the Listing Rules.

In addition, as the major transaction contemplated under the Initial Sale and Purchase Agreement has been terminated, no circular will be issued by the Company in relation to the Initial Sale and Purchase Agreement and the major transaction.

THE EFFECTIVENESS OF CERTAIN CLAUSES UNDER THE FORMAL SALE AND PURCHASE AGREEMENT IS SUBJECT TO THE FULFILLMENT OF CONDITIONS WHICH MAY OR MAY NOT BE FULFILLED, IN PARTICULAR, AS AT THE DATE OF THIS ANNOUNCEMENT, THE APPROVAL FROM THE HONG KONG STOCK EXCHANGE IN RELATION TO THE SPIN-OFF HAS NOT YET BEEN OBTAINED BY THE COMPANY. IN THE EVENT THAT ANY OF THE CONDITIONS IS NOT FULFILLED, THE REORGANIZATION WILL NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

EXECUTION OF THE FORMAL SALE AND PURCHASE AGREEMENT AND TERMINATION OF THE INITIAL SALE AND PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 25 May 2017 in respect of the entering into the Initial Sale and Purchase Agreement.

As at the date of this announcement, since the construction had fallen behind schedule, the subsequent development of each of the Nanling and Nanyue projects is subject to considerable uncertainties and thus their operating performance is difficult to be guaranteed. Therefore, on 20 November 2017, the Parties have agreed to terminate the Initial Sale and Purchase Agreement, to be replaced by the Formal Sale and Purchase Agreement. Pursuant to the Formal Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at the Consideration, which shall be settled by the Purchaser by way of issue of the Consideration Shares to the Vendors at the Issue Price of RMB9.98 per Consideration Share with a total Consideration of approximately RMB24.23 billion (subject to adjustments (if any)). The Sale Shares represent entire equity interests held by the Vendors in the Target Companies prior to the Reorganization.

In addition, as set out in the paragraph headed “Formal Sale and Purchase Agreement – Conditions Precedent” in this announcement, the obtaining of the approval in respect of the

Shanghai Xinyuan Acquisition and the relevant agreement of Shanghai Xinyuan Acquisition being effective are conditions precedent to the Completion.

Upon the Completion, the Company will hold approximately 69.73% of equity interest in the Purchaser, and Yuyuan will own the Sale Shares and the entire issued share capital of Shanghai Xinyuan. The Purchaser and Shanghai Xinyuan will become subsidiaries of the Company and the assets, liabilities and results of the Purchaser and Shanghai Xinyuan will be consolidated into the consolidated financial statements of the Company. The Target Companies which are the subsidiaries of the Company prior to the Reorganization will remain as subsidiaries of the Company and their assets, liabilities and results will still be consolidated into the consolidated financial statements of the Company. The Target Companies which are the joint ventures of the Company prior to the Reorganization will still be the joint ventures accounted in equity method in the financial statements of the Company.

FORMAL SALE AND PURCHASE AGREEMENT

Date : 20 November 2017

Vendors :

1. Zhejiang Fosun Business Development Co., Ltd.* (浙江復星商業發展有限公司) (“**Zhejiang Fosun**”)
2. Shanghai Forte Investment Management Co., Ltd.* (上海復地投資管理有限公司) (“**Forte Management**”)
3. China Alliance Properties Limited (“**China Alliance**”)
4. Shanghai Fuchang Investment Co., Ltd.* (上海復昌投資有限公司) (“**Fuchang**”)
5. Shanghai Fuchuan Investment Co., Ltd.* (上海復川投資有限公司) (“**Fuchuan**”)
6. Shanghai Fujing Investment Management Co., Ltd.* (上海復晶投資管理有限公司) (“**Fujing**”)
7. Shanghai Fuke Investment Co., Ltd.* (上海復科投資有限公司) (“**Fuke**”)
8. Shanghai Fumai Investment Co., Ltd.* (上海復邁投資有限公司) (“**Fumai**”)
9. Shanghai Fuyi Investment Co., Ltd.* (上海復頤投資有限公司) (“**Fuyi**”)
10. Chongqing Runjiang Property Co., Ltd.* (重慶潤江置業有限公司) (“**Runjiang**”)
11. Nanjing Fujiu Zijun Investment Management Co., Ltd.* (南京復久紫郡投資管理有限公司) (“**Fujiu**”)
12. Nanjing Fuyuan Yuecheng Investment Management Co., Ltd.* (南京復遠越城投資管理有限公司) (“**Fuyuan**”)
13. Hangzhou Fuman Investment Management Co., Ltd.* (杭州復曼投

資管理有限公司) (“**Fuman**”)

14. Hangzhou Fubei Investment Management Co., Ltd.* (杭州復北投資
管理有限公司) (“**Fubei**”)

15. Spread Grand Limited (“**Spread Grand**”)

16. Phoenix Prestige Limited (“**Phoenix Prestige**”)

17. Shanghai Yizhong Investment Co., Ltd.* (上海藝中投資有限公司)
 (“**Yizhong**”)

Purchaser : Yuyuan

As at the date of this announcement, the Group holds 26.45% of equity interest in Yuyuan. Save for the above, to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Purchaser and the ultimate beneficial owners of the Purchaser are third parties independent of the Company and connected persons of the Company.

Consideration

The Consideration for the Sale Shares shall be determined based on the valuation of the assets owned by the Target Companies as at 30 June 2017, as assessed by an independent valuer appointed by the Parties (the “**Valuation**”). If any of the Target Companies increases or reduces its share capital or distributes dividends during the period between 30 June 2017 and the date of the completion of the AIC Registration, the Parties shall adjust the Consideration accordingly. The estimated consideration for the Sale Shares is approximately RMB24.23 billion (subject to adjustments (if any)).

The determination of the Consideration for the Sale Shares was arrived at arm’s length negotiations between the Parties to the Formal Sale and Purchase Agreement with reference to the Valuation. As such, the Directors (including the independent non-executive Directors), consider that the Consideration and the terms of the Formal Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Issue Price

The Consideration shall be settled by the Purchaser by way of issue of the Consideration Shares to the Vendors. The Issue Price shall be RMB9.98 per Consideration Share (subject to adjustments (if any)), which is equivalent to 90% of the average trading price of the A Shares of the Purchaser for the consecutive 20 trading days prior to the Price Determination Date, which has been adjusted by the amount of cash dividend as approved in the 2016 annual general meeting of the Purchaser.

In the event that during the period between the Price Determination Date and the Issuance Date the Purchaser distributes dividends, issues bonus shares, increases share capital, issues new shares or allot shares (the “**Events**”), the Issue Price shall be further adjusted in accordance with the terms of the Formal Sale and Purchase Agreement.

The Issue Price was arrived at arm’s length negotiations between the Purchaser and the Vendors with reference to the current market price and the current market conditions. The Directors

(including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Number of Consideration Shares

The number of the Consideration Shares to be issued by the Purchaser to the Vendors is calculated based on the Consideration for the Sale Shares divided by the Issue Price. As such, the number of the Consideration Shares to be issued to each of the Vendor shall be calculated based on the consideration of the respective Sale Shares owned by the Vendor divided by the Issue Price.

Based on the estimated consideration of the Consideration Shares of approximately RMB24.23 billion, the estimated number of Consideration Shares to be issued by the Purchaser to the Vendors is 2,427,895,555 Consideration Shares.

If prior to the Reorganization, certain Events occur, the number of Consideration Shares to be issued by the Purchaser to the Vendors shall be adjusted accordingly.

Lock-up Period

The Vendors jointly and severally have agreed and undertaken that no Consideration Shares issued by the Purchaser to the Vendors will be transferred to any third party within 36 months from the date of the completion of the Securities Registration (the “**Lock-up Period**”). In the event that the closing price of the A Shares of the Purchaser is lower than the Issue Price (a) for the consecutive 20 trading days within 6 months after the date of the Completion or (b) at the end of the 6-month period after the date of the Completion, the Lock-up Period for the Consideration Shares will be automatically extended for an additional period of at least 6 months (the “**Extended Lock-up Period**”). If certain Events occur, all such additional A Shares obtained by the Vendors from the Events shall be subject to the abovementioned restrictions.

It is also undertaken that no A Shares of the Purchaser held by Fosun Industrial and Fosun High Technology prior to the Reorganization will be transferred within 12 months following the date of the Completion. Additional A shares issued to Fosun Industrial and Fosun High Technology by the Purchaser as a result of the Events shall be subject to the abovementioned restrictions.

Upon the expiration of the Lock-up Period, the Consideration Shares will be traded on the Shanghai Stock Exchange in accordance with the rules and regulations of the China Securities Regulatory Commission and Shanghai Stock Exchange.

Fosun Industrial, Fosun High Technology and the Vendors have also undertaken that there is currently no intention to change the control of Yuyuan within 60 months after the date of the Completion.

AIC Registration and Securities Registration

The Vendors shall within 60 trading days after the date when the Formal Sale and Purchase Agreement becomes effective (or such date as otherwise agreed by the Parties in writing) complete the AIC Registration. Within one month from the completion of the AIC Registration, the Purchaser shall complete the Securities Registration.

Conditions Precedent

Clauses under the Formal Sale and Purchase Agreement in respect of the Reorganization shall be effective when all of the following conditions precedent are fulfilled (the effective day being the date when the last condition precedent is fulfilled):

- (a) the Formal Sale and Purchase Agreement having been duly executed by the Parties;
- (b) the Reorganization having been approved by the Purchaser's board of directors and shareholders at the general meeting;
- (c) the Reorganization having been approved by the internal decision-making organization of each of the Vendor;
- (d) the Shanghai Xinyuan Acquisition having been approved by the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government in the PRC;
- (e) the valuation report of the entire registered capital of Shanghai Xinyuan in respect of the Reorganization having been filed with the state-owned assets supervision and administration authority in the PRC;
- (f) the relevant agreement of the Shanghai Xinyuan Acquisition having been effective;
- (g) the Parties registered outside the PRC having obtained the relevant approvals or filings in respect of the Reorganization from the competent commerce departments (if necessary);
- (h) the Purchaser's acquisition of assets registered outside the PRC having been approved or filed by the competent development and reform commissions and commerce departments in the PRC (if necessary);
- (i) the proposal for the Reorganization having been approved by the China Securities Regulatory Commission;
- (j) the Company's application for spin-off and listing, pursuant to Practice Note 15 of the Listing Rules, having been approved by the Hong Kong Stock Exchange;
- (k) the Ministry of Commerce in the PRC having conducted the examination of the concentration of business operators against the Parties and the respective approvals having been obtained (if necessary); and
- (l) any approvals and/or prior filings having been obtained from the administrative authorities (if necessary).

Completion

Subject to certain terms of the Formal Sale and Purchase Agreement being effective and all the conditions precedent being satisfied, the Completion shall take place by the date of the completion of the Securities Registration. Details of the total shareholding interests of the Group prior to and after the Reorganization are set forth below:

	Prior to the Reorganization		New A Shares to be issued under the Reorganization	After the Reorganization	
	Number of Shares	Percentage	Number of Shares	Number of Shares	Percentage
Fosun Industrial	247,745,078	17.24%	-	247,745,078	6.15%
Fosun High Technology	132,420,209	9.21%	-	132,420,209	3.29%
The Vendors	-	-	2,427,895,555	2,427,895,555	60.29%
The Group's total Shareholding Interests	380,165,287	26.45%	2,427,895,555	2,808,060,842	69.73%

Termination of the Initial Sale and Purchase Agreement

Pursuant to the Formal Sale and Purchase Agreement, all agreements, conditions, memorandum of understanding, negotiations and representations (including but not limited to the Initial Sale and Purchase Agreement) between the Parties prior to the entering into the Formal Sale and Purchase Agreement will be terminated, and be replaced by the terms contained in the Formal Sale and Purchase Agreement.

GENERAL INFORMATION OF THE PARTIES

The Target Companies

The shareholding interests and principal business of each of the Target Company are as follows:

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company
1.	Shanghai Xinghong Investment Holdings Co., Ltd.* (上海星泓投資控股有限公司) (“Xinghong”)	100%	Zhejiang Fosun	Investment and Investment Management
2.	Shanghai Minxiang Property Development Co., Ltd.* (上海閔祥房地產開發有限公司) (“Minxiang”)	100%	Forte Management	Real Estate Development and Management
3.	Shanghai Fosun Property Management Co., Ltd.* (上海復星物業管理有限公司) (“Fosun Property”)	100%		Property Management

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company	
4.	Nanjing Fucheng Runguang Investment Management Co., Ltd.* (南京復城潤廣投資管理有限公司) (“ Fucheng Runguang ”)	100%		Investment Management	
5.	Ningbo Xingjian Asset Management Ltd.* (寧波星健資產管理有限公司) (“ Xingjian ”)	100%		Healthcare Supporting, Recovery, Custodian Services and Asset Management for the Elderly	
6.	Zhejiang Bocheng Property Co., Ltd.* (浙江博城置業有限公司) (“ Bocheng ”)	100%		Real Estate Development, Management and Investment Management	
7.	Changsha Forte Property Development Co., Ltd.* (長沙復地房地產開發有限公司) (“ Changsha Forte ”)	100%		Real Estate Development and Management	
8.	Suzhou Xinghe Health Investment Development Co., Ltd.* (蘇州星和健康投資發展有限公司) (“ Xinghe ”)	70%		Senior Living Industrial Investment, Development and Management, Real Estate Development and Management	
9.	Hangzhou Golden Chengpinwu Property Co., Ltd.* (杭州金成品屋置業有限公司) (“ Golden Chengpinwu ”)	60%		Real Estate Development, Management and Property Management	
10.	Beijing Forte Tongda Properties Co., Ltd.* (北京復地通達置業有限公司) (“ Forte Tongda ”)	60%		Real Estate Development	
11.	Beijing Forte Tongying Properties Co., Ltd.* (北京復地通盈置業有限公司) (“ Forte Tongying ”)	60%		Real Estate Development and Sales, Property Management	
12.	Shanghai Fuyu Investment Co., Ltd.* (上海復毓投資有限公司) (“ Fuyu ”)	50%		Industrial Investment, Investment Management	
13.	Shanghai Fuyang Investment Co., Ltd.* (上海復暘投資有限公司) (“ Fuyang ”)	50%		Industrial Investment, Investment Management	
14.	Tianjin Hubin Plaza Property Development Co., Ltd.* (天津湖濱廣場置業發展有限公司) (“ Hubin Plaza ”)	55%		Forte Management	Real Estate Development
		45%		Fuke	
15.	Hangzhou Futuo Property Co., Ltd.* (杭州復拓置業有限公司) (“ Futuo ”)	51%		Forte Management	Real Estate Development, Management and Property Management and Investment
		49%	Fuman		

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company
16.	Hangzhou Fumanda Property Co., Ltd.* (杭州復曼達置業有限公司) (“ Fumanda ”)	51%	Forte Management	Commercial Real Estate Development, Construction and Management in restricted land plots
		19%	Fubei	
		30%	Phoenix Prestige	
17.	Hainan Forte Investment Co., Ltd.* (海南復地投資有限公司) (“ Hainan Forte ”)	50%	Forte Management	Investment and Investment Management
		45% ⁽¹⁾	Bocheng	
		5%	Fuyi	
18.	Nanjing Forte Dongjun Property Co., Ltd.* (南京復地東郡置業有限公司) (“ Nanjing Forte ”)	51%	Runjiang	Real Estate Development and Management
		28%	Fujiu	
		11%	Fuyuan	
		10%	Forte Management	
19.	Hubei Guangxia Property Development Co.,Ltd.* (湖北光霞房地產開發有限公司) (“ Guangxia ”)	35%	Forte Management	Real Estate Development and Sales, Property Management
		30%	Fujing	
20.	Globeview Global Limited (“ Globeview ”)	100%	China Alliance	Investment Holding
21.	Winner Gold Investments Limited (“ Winner Gold ”)	100%		
22.	Shanghai Minguang Property Development Co.,Ltd.* (上海閔光房地產開發有限公司) (“ Minguang ”)	100%	Fuchang	Real Estate Development and Management, Investment Management
23.	Wuhan Fujiang Property Development Co., Ltd.* (武漢復江房地產開發有限公司) (“ Fujiang ”)	100%	Yizhong	Real Estate Development and Sales, Property Management
24.	Chengdu Forte Pearl Property Co., Ltd.* (成都復地明珠置業有限公司) (“ Pearl Property ”)	66%	Fuchuan	Real Estate Development
25.	Beijing Fuxin Properties Co.,Ltd.* (北京復鑫置業有限公司) (“ Fuxin ”)	50%	Fumai	Real Estate Development and Sales, Property Management

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company
26.	Shanghai Xingyao Property Development Co.,Ltd.* (上海星耀房地產發展有限公司) (“Xingyao”)	50%	Spread Grand	Real Estate Development, Sales and Leasing in office and business buildings and residence buildings in restricted land plots

Note: (1) Yuyuan will purchase the 100% equity interest in Bocheng, therefore, the 45% equity interest in Hainan Forte held by Bocheng is deemed as the shareholding interest to be sold. After the Completion, Yuyuan will hold 100% equity interest in Hainan Forte in aggregate.

All the Target Companies, apart from Globeview and Winner Gold, are established in the PRC. Globeview and Winner Gold are incorporated in the British Virgin Islands.

Set out below is the combined audited financial information ⁽¹⁾ of the Target Companies for each of the years ended 31 December 2015 and 2016, respectively:

	For the year ended 31 December	
	2015	2016
	<i>approximately</i>	<i>approximately</i>
	<i>RMB million</i>	<i>RMB million</i>
Net profit/(loss) before tax	837.23	1,212.21
Net profit/(loss) after tax	430.73	827.25

The combined audited total assets⁽¹⁾ and net assets⁽¹⁾ of the Target Companies were approximately RMB59,311.49 million and RMB11,483.01 million, respectively, as at 30 June 2017.

Note: (1) The above financial information is the simple aggregation of the figures from the audited financial statements of the Target Companies.

The Company

The Company is a company incorporated in Hong Kong with its principal business to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world. The health ecosystem business includes three major parts: Fosun Pharma, Medical Services and Health Products; the happiness ecosystem business includes two major parts: Tourism and Leisure, Consumer and Lifestyle while the wealth ecosystem business includes three major segments: Insurance and Finance, Investment and Hive Property.

The Vendors

All the Vendors are indirect subsidiaries of the Company. All the Vendors, apart from Spread Grand, Phoenix Prestige and China Alliance, are established in the PRC. Spread Grand, Phoenix Prestige and China Alliance are incorporated in Hong Kong.

The Vendors are principally engaged in the following businesses:

	Vendor	Principal Business
1	Zhejiang Fosun	Investment Holding
2	Forte Management	Investment Holding
3	China Alliance	Investment Holding
4	Fuchang	Industrial Investment, Investment Management
5	Fuchuan	Industrial Investment, Investment Management
6	Fujing	Industrial Investment, Investment Management
7	Fuke	Industrial Investment, Investment Management
8	Fumai	Industrial Investment, Investment Management
9	Fuyi	Industrial Investment, Investment Management
10	Runjiang	Real Estate Development and Management, Property Management
11	Fujiu	Investment Management
12	Fuyuan	Investment Management
13	Fuman	Investment Management
14	Fubei	Investment Management
15	Spread Grand	Investment Holding
16	Phoenix Prestige	Investment Holding
17	Yizhong	Industrial Investment, Investment Management

The Purchaser

Yuyuan is a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600655). The principal business of Yuyuan is a large comprehensive commercial operation which includes the retail of gold and jewellery, catering, commercial tourism, traditional Chinese brands and other businesses. As at the date of this announcement, the Group holds 26.45% of equity interest in Yuyuan, through Fosun Industrial and Fosun High Technology.

Based on the latest annual report of Yuyuan, set out below is certain key financial information of Yuyuan for each of the years ended 31 December 2015 and 2016, respectively:

	For the year ended 31 December	
	2015	2016
	(audited)	(audited)
	<i>approximately</i>	<i>approximately</i>
	RMB million	RMB million
Net profit/(loss) before tax	1,024.35	716.41
Net profit/(loss) after tax	857.14	445.22

The audited total assets and net assets of Yuyuan were approximately RMB23,557.65 million and RMB11,322.79 million, respectively, as at 30 June 2017.

Shanghai Xinyuan

Shanghai Xinyuan is a company established in the PRC for the development and operation of real estate business in the PRC.

Set out below is the audited consolidated financial information of Shanghai Xinyuan for each of the years ended 31 December 2015 and 2016, respectively:

	For the year ended 31 December	
	2015	2016
	(audited)	(audited)
	<i>approximately</i>	<i>approximately</i>
	RMB	RMB
	million	million
Net profit/(loss) before tax	-5.22	-37.71
Net profit/(loss) after tax	-5.27	-37.90

The audited consolidated total assets and consolidated net assets of Shanghai Xinyuan were approximately RMB1,062.88 million and RMB1,042.74 million, respectively, as at 30 June 2017.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Shanghai Xinyuan, Shanghai Huangfang and the ultimate beneficial owners of the Shanghai Xinyuan, are third parties independent of the Company and connected persons of the Company.

FINANCIAL IMPACT OF THE REORGANIZATION

There will be no gain or loss arising from the disposal by the Company of its equity interest in the Target Companies given that the Target Companies will remain as subsidiaries and joint ventures of the Company upon the Completion.

In addition, as the consideration for the Disposal will be settled by shares to be issued by the Purchaser, no cash will be received by the Group as a result of the Reorganization.

REASONS FOR AND BENEFITS OF THE REORGANIZATION

The Group is a family-focused company with investments and operations in health, happiness and wealth sectors. Upon the Completion, Yuyuan will be recognized as a subsidiary of the Company which will unlock significant value for both the Company and Yuyuan.

First, the Reorganization will enhance Yuyuan's own strategic positioning and operations through its ability to leverage the global One Fosun platform.

Second, the Reorganization will enlarge Yuyuan's asset base and strengthen its financial capabilities.

Third, the Reorganization will enable Yuyuan to become the Company's listed platform focusing on the 'happiness' ecosystem driven by the growing demand for better lives of the families.

The Directors (including the independent non-executive Directors) are of the view that the Reorganization and the terms of the Formal Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal is more than 5% and each of them is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios for the Issuance and the Shanghai Xinyuan Acquisition is more than 5% and each of them is less than 25%, the Issuance and the Shanghai Xinyuan Acquisition constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Reorganization is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules. In addition, the Reorganization constitutes a spin-off of the Target Companies pursuant to Practice Note 15 of the Listing Rules.

In addition, as the major transaction contemplated under the Initial Sale and Purchase Agreement has been terminated, no circular will be issued by the Company in relation to the Initial Sale and Purchase Agreement and the major transaction.

THE EFFECTIVENESS OF CERTAIN CLAUSES UNDER THE FORMAL SALE AND PURCHASE AGREEMENT IS SUBJECT TO THE FULFILLMENT OF CONDITIONS WHICH MAY OR MAY NOT BE FULFILLED, IN PARTICULAR, AS AT THE DATE OF THIS ANNOUNCEMENT, THE APPROVAL FROM THE HONG KONG STOCK EXCHANGE IN RELATION TO THE SPIN-OFF HAS NOT YET BEEN OBTAINED BY THE COMPANY. IN THE EVENT THAT ANY OF THE CONDITIONS IS NOT FULFILLED, THE REORGANIZATION WILL NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

DEFINITIONS

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

“A Shares”	ordinary share(s) with a nominal value of RMB1.00 per share issued by the Purchaser which are listed on the Shanghai Stock Exchange in the PRC
“AIC Registration”	the registration with the Administration for Industry and Commerce of the change of shareholders of the Target Companies in respect of the Disposal
“Announcement”	the announcement of the Company dated 25 May 2017 in respect of the entering into the Initial Sale and Purchase Agreement
“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
“Completion”	completion of the Reorganization
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Sale Shares determined based on the valuation of the assets owned by the Target Companies as at 30 June 2017 as assessed by an independent valuer appointed by the Parties subject to certain adjustments (if any)
“Consideration Share(s)”	the A Share(s) to be issued to the Vendors by the Purchaser at the Issue Price
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by the Vendors to the Purchaser pursuant to the Formal Sale and Purchase Agreement
“Disposed Business”	the businesses engaged by the Target Companies as set out in the paragraph headed “General Information of the Parties – The Target Companies” in this announcement
“Formal Sale and Purchase Agreement”	the formal share issuance and asset purchase agreement (發行股份購買資產之正式協議) entered into between the Purchaser and the Vendors on 20 November 2017 in respect of the Disposal and the Issuance
“Fosun Industrial”	Shanghai Fosun Industrial Investment Co., Ltd.* (上海復星產業投資有限公司), which is an indirect wholly-owned subsidiary of the Company and is directly wholly-owned by Fosun High Technology
“Fosun High	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司), which is a direct wholly-owned subsidiary of

Technology”	the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Initial Sale and Purchase Agreement”	the share issuance and asset purchase agreement (發行股份購買資產協議) entered into between the Purchaser and the Vendors on 25 May 2017 in respect of the disposal of the 28 target companies from the Vendors to the Purchaser and the issuance of A Shares to the Vendors from the Purchaser
“Issuance”	the issue of Consideration Shares to the Vendors by the Purchaser pursuant to the Formal Sale and Purchase Agreement
“Issuance Date”	the date of the Issuance
“Issue Price”	the issue price of RMB9.98 per Consideration Share subject to certain adjustments (if any)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Nanling”	Guangzhou Fosun Nanling Investment Management Co., Ltd * (廣州市復星南嶺投資管理有限公司), a joint venture of the Company which owned as to 49% by Forte Management
“Nanyue”	Guangzhou Fosun Nanyue Investment Management Co., Ltd * (廣州市復星南粵投資管理有限公司), a joint venture of the Company which owned as to 47.62% by Forte Management
“Parties” and each a “Party”	the Vendors and the Purchaser
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Price Determination Date”	the announcement date of the board resolution of the Purchaser to approve, among others, the Reorganization
“Purchaser” or “Yuyuan”	Shanghai Yuyuan Tourist Mart Co., Ltd* 上海豫園旅遊商城股份有限公司 (stock code: 600655), a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange
“Remaining Group”	the Group excluding the Target Companies
“Reorganization”	the Disposal and the Issuance
“Retained Business”	the businesses engaged by the Company as set out in the paragraph headed “General Information of the Parties – The Company” in this announcement other than the Disposed Business

“Sale Shares”	the entire equity interest held by the Vendors in the Target Companies prior to the Reorganization
“Shanghai Huangfang”	Shanghai Huangpu District Real Estate Development Shiye Head Office* (上海市黃浦區房地產開發實業總公司)
“Shanghai Xinyuan”	Shanghai Xinyuan Real Estate Development and Operation Co., Ltd. *(上海新元房地產開發經營有限公司)
“Shanghai Xinyuan Acquisition”	the Purchaser’s acquisition of the entire registered capital of Shanghai Xinyuan by way of issue of A Shares to Shanghai Huangfang
“Shanghai Xinyuan Agreement”	the sale and purchase agreement entered into between Yuyuan and Shanghai Huangfang on 20 November 2017 in respect of the Shanghai Xinyuan Acquisition
“Shareholder(s)”	holder(s) of the issued ordinary share(s) of the Company
“Share(s)”	the ordinary share(s) of the Company
“Securities Registration”	the securities registration of the Consideration Shares with the Shanghai Stock Exchange and China Securities Depository and Clearing Company Limited under the names of the Vendors
“Target Companies” and each a “Target Company”	as set out in the paragraph headed “General Information of The Parties – The Target Companies” in this announcement
“Vendors” and each a “Vendor”	as set out in the paragraph headed “Formal Sale and Purchase Agreement - Vendors” in this announcement

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

20 November 2017

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao, Mr. Wang Can, Ms. Kang Lan and Mr. Gong Ping; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu.

**For identification purpose only*