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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)

**MAJOR TRANSACTIONS
IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANIES AND
THE ISSUANCE OF CONSIDERATION SHARES**

THE REORGANIZATION

The Board is pleased to announce that on 25 May 2017, the Board has approved the Reorganization and the Vendors and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, 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 RMB24.16 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal is more than 25% and each of them is less than 75%, the Disposal constitutes a major disposal for the Company under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios for the Issuance is more than 25% and each of them is less than 100%, the Issuance constitutes a major acquisition for the Company 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. The Reorganization is therefore subject to, among other things, the approval of the Shareholders under paragraph 3(e)(1) of Practice Note 15 and Chapter 14 of the Listing Rules as and when necessary.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Reorganization, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement. The Company has obtained a written shareholder's approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 71.76% of the total issued shares of the Company as at the date of this announcement, in lieu of holding a general meeting to approve the Sale and Purchase Agreement. A circular containing, among other things, further information relating to the Reorganization will be despatched to the Shareholders.

GENERAL

As the Company will require additional time to prepare, among other things, the financial information of the Group and the Purchaser for inclusion in the circular, the Company will apply to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular of the Company to a date that is after 15 business days from the date of this announcement.

THE EFFECTIVENESS OF CERTAIN CLAUSES UNDER THE 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.

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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.

Upon the completion of the Reorganization, the Company will hold approximately 69.69% of equity interest in the Purchaser. The Purchaser will become a subsidiary of the Company, and the Target Companies which are the subsidiaries of the Company prior to the Reorganization will remain as subsidiaries of the Company. The assets, liabilities and results of the Purchaser and the Target Companies which are the subsidiaries of the Company prior to the Reorganization will still be consolidated into the consolidated financial statements of the Company.

SALE AND PURCHASE AGREEMENT

Date : 25 May 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 (中合置業有限公司) (“**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. 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 31 December 2016 (or such date as otherwise agreed by the Parties in writing), as assessed by an independent valuer appointed by the Parties (the “**Valuation**”). In the event that during the period between 31 December 2016 (or such date as otherwise agreed by the Parties in writing) and the date of the completion of the AIC Registration, any of the Target Companies increases or reduces share capital or distributes dividends, the Parties shall adjust the Consideration accordingly. The estimated consideration for the Sale Shares is approximately RMB24.16 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 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 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, which has taken into account of the amount of cash dividend approved in the 2016 annual general meeting of the Purchaser (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.

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 (the “**Events**”), the Issue Price shall be further adjusted in accordance with the terms of the Sale and Purchase Agreement.

The Issue Price was arrived at arm’s length negotiations between the Purchaser and the Vendor 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 RMB24.16 billion, the estimated number of Consideration Shares to be issued by the Purchaser to the Vendors pursuant to the Reorganization is approximately 2,420,841,664 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 agree and undertake 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 Issuance (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 each of the consecutive 20 trading days within 6 months from the date of completion of the Reorganization or (b) at the end of the 6 month period from the date of completion of the Reorganization, 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, the Issue Price will be adjusted accordingly and 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 of the Issuance. 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.

AIC Registration and Securities Registration

The Parties shall endeavor to assist in the process of obtaining the approval from the China Securities Regulatory Commission in respect of the Reorganization. Upon obtaining such approval, the Vendors shall assist the Purchaser in the AIC Registration process and the Purchaser shall assist the Vendors to effect the Securities Registration.

The Vendors shall within 60 trading days after the Sale and Purchase Agreement becomes effective (or such date as otherwise agreed by the Parties in writing) complete the AIC Registration.

Performance Undertaking

In the event that the Target Companies are not able to oblige with the performance undertaking during an agreed period, the Vendors shall jointly and severally compensate the Purchaser in an agreed manner. The details of the performance undertaking and the compensation are subject to further agreements to be entered into by the Parties.

Conditions Precedent

Clauses under the Sale and Purchase Agreement in respect of the Reorganization (including paragraphs headed “Consideration”, “Issue Price”, “Number of Consideration Shares” and “AIC Registration and Securities Registration” above) shall be effective when all the following conditions precedent are satisfied:

- (a) the 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 Purchaser's acquisition of the entire registered capital of 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**”) by way of issue of A Shares to 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) (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 issued and filed with the state-owned assets supervision and administration authority in the PRC;
- (f) the relevant agreement of Shanghai Xinyuan Acquisition having been effective;
- (g) the Reorganization having been approved by the debenture holders of Shanghai Forte Land Co., Ltd.* (復地(集團)股份有限公司) or at meetings of such holders (if necessary);
- (h) relevant approvals in respect of the Reorganization having been obtained by the Parties registered outside of the PRC from the competent commerce departments (if necessary);
- (i) the Purchaser's acquisition of assets registered outside of the PRC having been approved by the competent development and reform commissions and commerce departments in the PRC (if necessary);
- (j) the proposal for the Reorganization having been approved by the China Securities Regulatory Commission;
- (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 prior filings and/or approvals having been obtained from the administrative authorities (if necessary).

In the event that any of the above conditions precedent could not be satisfied within a reasonably foreseeable period, the Parties shall negotiate to amend, adjust or supplement the Reorganization plan as required by the relevant governmental authority and in accordance with the relevant laws and regulations to facilitate the completion of the Reorganization, provided that no actual changes will be made to the Consideration of the Reorganization and the rights and obligations of the Parties will not be prejudiced.

Completion

Completion of the Reorganization shall take place on the date of the completion of the Securities Registration subject to certain terms of the Sale and Purchase Agreement being effective with all the conditions precedent being satisfied. 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	6.16%
Fosun High Technology	132,420,209	9.21%	-	132,420,209	3.29%
The Vendors	-	-	2,420,841,664	2,420,841,664	60.23%
The Group's total Shareholding Interests	380,165,287	26.45%	2,420,841,664	2,801,006,951	69.69%

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

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company
3.	Shanghai Fosun Property Management Co., Ltd.* (上海復星物業管理有限公司) ("Fosun Property") ⁽¹⁾	100%		Property Management
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") ⁽¹⁾	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) ("Gold 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") ⁽¹⁾	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") ⁽¹⁾	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") ⁽¹⁾	50%		Industrial Investment, Investment Management
13.	Shanghai Fuyang Investment Co., Ltd.* (上海復陽投資有限公司) ("Fuyang") ⁽¹⁾	50%		Industrial Investment, Investment Management
14.	Guangzhou Fosun Nanling Investment Management Co., Ltd.* (廣州市復星南嶺投資管理有限公司) ("Nanling") ⁽¹⁾	49%		Senior Living Industrial Investment, Development and Investment Management
15.	Guangzhou Fosun Nanyue Investment Management Co., Ltd.* (廣州市復星南粵投資管理有限公司) ("Nanyue") ⁽¹⁾	47.62%		Asset Management and Senior Living Industrial Investment, Development
16.	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	

	Target Company	Shareholding Interests Being Held and To Be Sold by Vendor(s) in Target Company	Vendor(s)	Principle Business of Target Company
17.	Hangzhou Futuo Property Co., Ltd.* (杭州復拓置業有限公司) (“ Futuo ”) ⁽¹⁾	51%	Forte Management	Real Estate Development, Management and Property Management and Investment
		49%	Fuman	
18.	Hangzhou Fumanda Property Co., Ltd.* (杭州復曼達置業有限公司) (“ Fumanda ”) ⁽¹⁾	51%	Forte Management	Commercial Real Estate Development, Construction and Management in restricted land plots
		19%	Fubei	
		30%	Phoenix Prestige	
19.	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%	Bocheng	
		5%	Fuyi	
20.	Nanjing Forte Dongjun Property Co., Ltd.* (南京復地東郡置業有限公司) (“ Nanjing Forte ”) ⁽¹⁾	51%	Runjiang	Real Estate Development and Management
		28%	Fujiu	
		11%	Fuyuan	
		10%	Forte Management	
21.	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	
22.	Globeview Global Limited (“ Globeview ”) ⁽¹⁾	100%	China Alliance	Investment Holding
23.	Winner Gold Investments Limited (“ Winner Gold ”) ⁽¹⁾	100%		
24.	Shanghai Minguang Property Development Co.,Ltd.* (上海閔光房地產開發有限公司) (“ Minguang ”) ⁽¹⁾	100%	Fuchang	Real Estate Development and Management, Investment Management
25.	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
26.	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
27.	Beijing Fuxin Properties Co.,Ltd.* (北京復鑫置業有限公司) (“ Fuxin ”) ⁽¹⁾	50%	Fumai	Real Estate Development and Sales, Property Management
28.	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): As at the date of this announcement, the indicated equity interests of the Target Companies are entirely or partially held by other subsidiaries of the Group rather than the respective Vendor(s). The transfer of the entire or partial equity interests of the Target Companies to the respective Vendor(s) will be completed before the completion of the Reorganization.

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 unaudited combined 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
	(unaudited)	(unaudited)
	approximately	approximately
	RMB million	RMB million
Net profit/(loss) before tax	960.06	1,276.66
Net profit/(loss) after tax	573.83	829.27

The unaudited combined total assets⁽¹⁾ and combined net assets⁽¹⁾ of the Target Companies were approximately RMB63,902.52 million and RMB8,710.84 million, respectively, as at 31 December 2016.

Note: (1) The above financial information is the simple aggregation of the figures from the individual financial statements of the Target Companies, and is different from the Purchaser's pro forma consolidated financial information.

The Company

The Company is a company incorporated in Hong Kong. The principal businesses of the Company include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes three major segments: insurance, investment, wealth management and innovative finance; the industrial operations include four key segments: health, happiness, property development and sales, and resources.

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

	Vendor	Principal Business
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, tourism property 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 unaudited total assets and net assets of Yuyuan were approximately RMB23,537.19 million and RMB11,188.23 million, respectively, as at 31 March 2017.

FINANCIAL IMPACT OF THE REORGANIZATION

In accordance with the Hong Kong Financial Reporting Standards, the Reorganization, which constitutes changes in a parent's ownership interest in subsidiaries that do not result in a loss of control, is accounted for within equity. Therefore, 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 of the Company immediately upon completion of the Reorganization.

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 Directors consider that the Reorganization will be commercially beneficial to the Group for the following reasons:

- (a) the Reorganization separates the Retained Business from the Disposed Business, which is in line with the strategic position and mission of the Group; and
- (b) the Reorganization would enable a more focused development, better strategy planning and allocation of resources for the Remaining Group and the Target Companies with respect to their respective businesses, and both the Remaining Group and the Target Companies would benefit from the efficient decision-making process under the separate management structure for seizing business opportunities.

The Company will continue to benefit from any potential upside in the Disposed Business through receipt of dividend distributions of the Target Companies.

The Directors (including the independent non-executive Directors) are of the view that the Reorganization and the terms of the 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 25% and each of them is less than 75%, the Disposal constitutes a major disposal for the Company under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios for the Issuance is more than 25% and each of them is less than 100%, the Issuance constitutes a major acquisition for the Company 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. The Reorganization is therefore subject to, among other things, the approval of the Shareholders under paragraph 3(e)(1) of Practice Note 15 and Chapter 14 of the Listing Rules as and when necessary.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Reorganization, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement. The Company has obtained a written shareholder's approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 71.76% of the total issued shares of the Company as at the date of this announcement, in lieu of holding a general meeting to approve the Sale and Purchase Agreement. A circular containing, among other things, further information relating to the Reorganization will be despatched to the Shareholders.

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As the Company will require additional time to prepare, among other things, the financial information of the Group and the Purchaser for inclusion in the circular, the Company will apply to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular of the Company to a date that is after 15 business days from the date of this announcement.

THE EFFECTIVENESS OF CERTAIN CLAUSES UNDER THE 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
“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
“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 31 December 2016 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 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
“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 Technology	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 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
“Issuance”	the issue of Consideration Shares to the Vendors by the Purchaser pursuant to the 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
“Net Profit”	net profit attributable to the shareholders after deduction of the non-recurring profits and losses (as determined in accordance with the relevant regulatory rules)
“Parties” and each a “Party”	the Vendors and the Purchaser
“PRC”	the People’s Republic of China
“Price Determination Date”	the announcement date of the board resolution of the Purchaser to approve 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 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 and the Issuance
“Sale Shares”	the entire equity interest held by the Vendors in the Target Companies prior to the Reorganization
“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 “Sale and Purchase Agreement - Vendors” in this announcement

**For identification purpose only*

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

25 May 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.