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FOSUNPHARMA
复星医药

上海復星醫藥（集團）股份有限公司
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02196)

FOSUN 复星

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

**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION — NEW CAPITAL INCREASE
AGREEMENT**

A. NEW CAPITAL INCREASE AGREEMENT

References are made to the announcements of Fosun Pharma dated 24 December 2013, 14 January 2014 and 24 March 2015 in relation to the proposed connected transaction between Fosun Pharma, Fosun High Tech, Nanjing Steel United, Shanghai Yuyuan and Fosun Finance. As the relevant approval by the CBRC has been obtained, on 17 September 2015, Fosun Pharma, Fosun High Tech, Nanjing Steel United, Shanghai Yuyuan and Fosun Finance entered into the New Capital Increase Agreement pursuant to which the parties shall make capital contribution involving a total amount of approximately RMB1,440 million, in the amount of RMB327.60 million, RMB892.80 million, RMB129.60 million and RMB90 million, respectively, to Fosun Finance. Upon completion of the transaction contemplated under the New Capital Increase Agreement, the registered capital of Fosun Finance will be increased from RMB300 million to RMB1,500 million.

B. HONG KONG LISTING RULES IMPLICATIONS

For Fosun Pharma

Fosun High Tech is a controlling shareholder of Fosun Pharma and is interested in approximately 39.83% of the total issued share capital of Fosun Pharma as at the date of this announcement. As Fosun High Tech and its subsidiaries (including Nanjing Steel United but excluding Fosun Pharma) are collectively interested in 91% of Fosun Finance, Fosun Finance is a connected person of Fosun Pharma under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the New Capital Increase Agreement constitutes a connected transaction of Fosun Pharma under Chapter 14A of the Hong Kong Listing Rules.

As one of the applicable percentage ratios as defined under Rule 14.07 of the Hong Kong Listing Rules for the capital contribution by Fosun Pharma under the New Capital Increase Agreement is more than 0.1% but less than 5%, such capital contribution will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

For Fosun International

Shanghai Yuyuan is a connected person of Fosun International at the subsidiary level by virtue of its being a substantial shareholder of a significant subsidiary of Fosun International. Accordingly, Shanghai Yuyuan is a connected person of Fosun International under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the New Capital Increase Agreement constitutes a connected transaction of Fosun International under Chapter 14A of the Hong Kong Listing Rules.

As one of the applicable percentage ratios as defined under Rule 14.07 of the Hong Kong Listing Rules for the capital contribution by Fosun International and its subsidiaries under the New Capital Increase Agreement is more than 1% but less than 5%, such capital contribution will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

References are made to the announcements of Fosun Pharma dated 24 December 2013, 14 January 2014 and 24 March 2015 in relation to the proposed connected transaction between Fosun Pharma, Fosun High Tech, Nanjing Steel United, Shanghai Yuyuan and Fosun Finance.

A. NEW CAPITAL INCREASE AGREEMENT

Fosun Finance is a company established in the PRC on 7 July 2011. Based on the capital contribution made by the relevant parties at establishment, Fosun Finance was owned as to 9% by Fosun Pharma, 82% by Fosun High Tech and 9% by Nanjing Steel United.

As the relevant approval by the CBRC has been obtained, on 17 September 2015, Fosun Pharma, Fosun High Tech, Nanjing Steel United, Shanghai Yuyuan and Fosun Finance entered into the New Capital Increase Agreement pursuant to which the parties have agreed to make capital contribution to Fosun Finance, particulars of which are as follows:

Date

17 September 2015

Parties

- (1) Fosun Pharma
- (2) Fosun High Tech
- (3) Nanjing Steel United
- (4) Shanghai Yuyuan
- (5) Fosun Finance

Principal Terms

The parties have agreed to the increase in the registered capital of Fosun Finance from RMB300 million to RMB1,500 million.

The parties agreed that the capital contribution to Fosun Finance in the aggregate amount of RMB1,440 million shall be made in the following manner:

Name of party	Amount to be contributed to Fosun Finance
Fosun Pharma	RMB327.60 million
Fosun High Tech	RMB892.80 million
Nanjing Steel United	RMB129.60 million
Shanghai Yuyuan	<u>RMB90.00 million</u>
Total	<u><u>RMB1,440 million</u></u>

The above amounts of capital contribution to Fosun Finance were determined after arm's length negotiation by the parties with reference to the Assets Appraisal Report Xin Zi Ping Bao Zi (2015) No. 084 (Proposed Capital Increase in Fosun Group Finance Corporation Limited by Shanghai Fosun High Technology (Group) Company Limited* and others)* (信資評報字(2015)第084號《上海復星高科技(集團)有限公司等擬增資涉及的上海復星高科技集團財務有限公司股東全部權益價值資產評估報告書》) issued by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司), an independent valuer.

Payment of Capital Contribution

The respective capital contribution by each of Fosun Pharma, Fosun High Tech, Nanjing Steel United and Shanghai Yuyuan to Fosun Finance will be deposited in cash into the bank account as designated by Fosun Finance within 100 working days upon signing of the New Capital Increase Agreement. The capital contribution by Fosun Pharma, Fosun High Tech and Nanjing Steel United will be funded by their respective own funds.

Shareholding Structure of Fosun Finance after Increase in Registered Capital

Set out below is the shareholding structure of Fosun Finance before and after completion of the increase in registered capital from RMB300 million to RMB1,500 million pursuant to the terms of the New Capital Increase Agreement:

Unit: RMB million

Shareholder of Fosun Finance	Contribution to the registered capital to Fosun Finance before completion of the increase in registered capital	Equity interest in Fosun Finance prior to the increase in registered capital	Total contribution to the registered capital to Fosun Finance after completion of the increase in registered capital	Equity interest in Fosun Finance after completion of the increase in registered capital
Fosun Pharma	27	9%	300	20%
Fosun High Tech	246	82%	990	66%
Nanjing Steel United	27	9%	135	9%
Shanghai Yuyuan	—	—	75	5%
Total	300	100%	1,500	100%

As shown above, upon completion of the transaction contemplated under the New Capital Increase Agreement, the proportion of shareholding held by Fosun Pharma, Fosun High Tech and Nanjing Steel United would be 20%, 66% and 9% of the enlarged capital of Fosun Finance, respectively.

B. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW CAPITAL INCREASE AGREEMENT

The proceeds of the capital contribution to Fosun Finance under the New Capital Increase Agreement will be used as working capital of Fosun Finance. Both the boards of directors of Fosun Pharma and Fosun International consider that the entering into of the New Capital Increase Agreement and the increase of capital contribution to Fosun Finance will enhance the development of Fosun Finance and allow Fosun Finance to further expand its business, and the transaction with Fosun Finance can help optimize the group's financial management and improve its capital efficiency, reduce financing costs and financing risks.

As Mr. Chen Qiyu, Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Wang Pinliang, Ms. Kang Lan and Mr. John Changzheng Ma hold positions in Fosun High Tech, they are required to abstain, and have abstained from, voting on the resolution at the board meeting of Fosun Pharma to approve the New Capital Increase Agreement. As Mr. Wang Qunbin and Mr. Xu Xiaoliang hold positions in Shanghai Yuyuan, they are required to abstain, and have abstained from, voting on the resolution at the board meeting of Fosun International to approve the New Capital Increase Agreement.

The directors of Fosun Pharma and Fosun International (including their respective independent non-executive directors) consider that the terms of the New Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of Fosun Pharma and Fosun International (as the case maybe) and their respective shareholders as a whole.

C. INFORMATION ABOUT THE PARTIES

Fosun Pharma is a leading healthcare company in the PRC and primarily engaged in business segments including pharmaceutical manufacturing and research and development, pharmaceutical distribution and retail, healthcare services and medical diagnosis and medical devices.

The principal businesses of Fosun International include integrated finance (insurance, investment, asset management and banking and other financial business) and industrial operations (health, happy lifestyle, steel, property development and sales and resources).

Fosun High Tech is a wholly-owned subsidiary of Fosun International, and it mainly performs its parent company's business activities in Mainland China.

Nanjing Steel United is principally engaged in manufacture and sale of iron and steel products.

Shanghai Yuyuan is principally engaged in commercial retail and gold and jewellery wholesale and retail.

Fosun Finance is principally engaged in provision of financing consulting services, deposit services, settlement services, credit services and other financial services.

Set out below are the financial information of Fosun Finance prepared in accordance with PRC accounting standards for the two years ended 31 December 2014:

	For the year ended 31 December 2013 (audited)	For the year ended 31 December 2014 (audited)
Net profit/(loss) (before taxation)	RMB66.06 million	RMB142.76 million
Net profit/(loss) (after taxation)	RMB47.16 million	RMB105.45 million

As at 31 December 2013, the audited total assets and the net assets of Fosun Finance were approximately RMB2,892.66 million and RMB361.61 million, respectively.

As at 31 December 2014, the audited total assets and the net assets of Fosun Finance were approximately RMB3,967.89 million and RMB447.06 million, respectively.

D. HONG KONG LISTING RULES IMPLICATIONS

For Fosun Pharma

Fosun High Tech is a controlling shareholder of Fosun Pharma and is interested in approximately 39.83% of the total issued share capital of Fosun Pharma as at the date of this announcement. As Fosun High Tech and its subsidiaries (including Nanjing Steel United but excluding Fosun Pharma) are collectively interested in 91% of Fosun Finance, Fosun Finance is a connected person of Fosun Pharma under Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the New Capital Increase Agreement constitutes a connected transaction of Fosun Pharma under Chapter 14A of the Hong Kong Listing Rules.

As one of the applicable percentage ratios as defined under Rule 14.07 of the Hong Kong Listing Rules for the capital contribution by Fosun Pharma under the New Capital Increase Agreement is more than 0.1% but less than 5%, such capital contribution will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

For Fosun International

Shanghai Yuyuan is a connected person of Fosun International at the subsidiary level by virtue of its being a substantial shareholder of a significant subsidiary of Fosun International. Accordingly, Shanghai Yuyuan is a connected person of Fosun International under Rule 14A.07 of the Hong Kong Listing Rules.

Therefore, the transaction contemplated under the New Capital Increase Agreement constitutes a connected transaction of Fosun International under Chapter 14A of the Hong Kong Listing Rules.

As one of the applicable percentage ratios as defined under Rule 14.07 of the Hong Kong Listing Rules for the capital contribution by Fosun International and its subsidiaries under the New Capital Increase Agreement is more than 1% but less than 5%, such capital contribution will be subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

E. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“CBRC”	China Banking Regulatory Commission Shanghai Bureau
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Fosun Finance”	Fosun Group Finance Corporation Limited* (上海復星高科技集團財務有限公司), a limited liability company established in the PRC. As at the date of this announcement, Fosun Finance is an 82% owned subsidiary of Fosun High Tech
“Fosun High Tech”	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a limited liability company established in the PRC, a wholly owned subsidiary of Fosun International and a controlling shareholder of Fosun Pharma which holds approximately 39.83% of the issued share capital of Fosun Pharma as at the date of this announcement

“Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the Hong Kong Stock Exchange, and the controlling shareholder of Fosun Pharma
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Nanjing Steel United”	Nanjing Iron & Steel United Co., Ltd.* (南京鋼鐵聯合有限公司), a limited liability company established in the PRC, and a 60% owned subsidiary of Fosun High Tech
“New Capital Increase Agreement”	the capital increase agreement dated 17 September 2015 entered into by and amongst Fosun Pharma, Fosun High Tech, Nanjing Steel United, Shanghai Yuyuan and Fosun Finance
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Yuyuan”

Shanghai Yuyuan Tourist Mart Company Limited* (上海豫園旅遊商城股份有限公司), a joint stock company with limited liability established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600655). As at the date of this announcement, Fosun High Tech directly and indirectly holds 26.45% in Shanghai Yuyuan

“%”

per cent.

By order of the board	By order of the board
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*	Fosun International Limited
Chen Qiyu	Guo Guangchang
<i>Chairman</i>	<i>Chairman</i>

Shanghai, PRC
17 September 2015

As at the date of this announcement, the executive directors of Fosun Pharma are Mr. Chen Qiyu and Mr. Yao Fang; the non-executive directors of Fosun Pharma are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Wang Pinliang, Ms. Kang Lan and Mr. John Changzheng Ma; and the independent non-executive directors of Fosun Pharma are Dr. Zhang Weijiong, Mr. Cao Huimin, Mr. Jiang Xian and Dr. Wong Tin Yau Kelvin.

As at the date of this announcement, the executive directors of Fosun International are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetao, Mr. Chen Qiyu and Mr. Xu Xiaoliang; and the independent non-executive directors of Fosun International are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao.

* *for identification purposes only*