

Fosun Newsletter

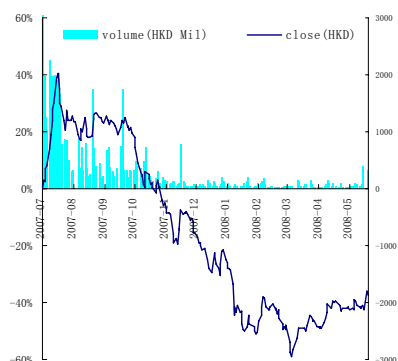
Fosun International Limited (HK Stock Code: 656)
www.fosun-international.com

May 2008
Investing in China



Stock Data

Recent Price(5/30/2008)HK\$ 5.96
52 Weeks Range.....HK\$4.05-15.00
Shares(Mil).....6,422
Market Cap(HK\$Bil).....38.37



Core Business (1)

Pharmaceuticals

...Fosun Pharma(600196.SH)49.0%
.....Sinopharm 24.0%(2)

Property

..... Forte(2337.HK)57.0%

Steel

..... Nanjing Steel United 60.0%
.....Jianlong Group 26.7%
.....Ningbo Steel 20.0%

Mining

..... Hainan Mining 60.0%
..... Jin'an Mining 60.0%
..... Huaxia Mining 18.4%
..... Shanjiao Wulin 20.0%
..... Zhaojin Mining(1818.HK) 17.1%

Retail

..... Yuyuan(600655.SH)17.3%

Financial Services & Strategic

Investments

..... Tebon Securities 25.4%
..... Yong'an Insurances 14.6%
... Fosun Capital Management 100.0%

Notes:

1. Effective Shareholding
2. Fosun Pharma holds a 49% stake of Sinopharm.

SOCIAL RESPONSIBILITIES

Supports for Wen Chuan quake relief

1. Fosun Group (Fosun), a fully-owned subsidiary of Fosun International, together with its subsidiaries and associates, launched various disaster relief events in support of Wen Chuan County, the area demolished by a mega-earthquake on May 12th. As of May 23rd, Fosun and its related companies have donated over RMB 20 millions (including cash and drugs, calculated by effective shareholding attributable to Fosun). The Great Fosun System has altogether donated over RMB 40 millions.
2. From May 19th-June 19th, Fosun, together with Shanghai Red Cross, are organizing a public campaign to raise fund for Wen Chuan at thousands of locations of Fosun's outlets, including pharmacies, brand-name chain stores, brokerage houses, gym clubs, metro newspaper stands, and etc.
3. Shortly after the May 12th earthquake, Fosun Pharma and its major associates immediately dispatched batches of much-needed drugs and medicinal products/consumables to disaster areas to support rescue efforts.

OPERATIONS MANAGEMENT

Continuous improvement of management efficiency

— Optimized product mix

1. As by April 2008, Nanjing Steel United (NSU) has successfully developed advanced steel plates for pipelines such as X65HIC, X70HIC, X70W, X80. In addition, X100 has also entered the research phase. At present, NSU has been delivering large quantities of plates for pipelines for the Second Pipeline of West-to-East Gas Transmission Project.

— Reduced cost

1. NSU emphasizes energy-saving renovations. In January-April of 2008, NSU's medium and heavy plate plant has for the first time achieved full-scale negative-energy steel-making of converter. The integrated energy consumed per ton steel is -0.22 kilograms of standard coal.
2. NSU's "construction of 12MW generator units by utilization of residue gas" was named as the top 1000 measures for energy-saving and emission-reduction in China.

— Strengthened international cooperation

1. Shanghai Clonbiotech Co.,Ltd (Clonbiotech), a subsidiary of Fosun Pharma, and Alkmaar Export B.V.(Alkmaar), a Netherlands-based firm, co-invest to found Shanghai Wanbang Alkmaar Biopharmaceutical Co., Ltd., with a focus on biopharmaceuticals businesses. Both entities invested in total RMB 105 millions, among which Clonbiotech invested RMB 73.5 millions to acquire 70% of the stake; Alkmaar invested USD in equivalent of RMB 31.5 millions to acquire 30% of the stake.

2. Sinopharm Holding, a major associate of Fosun Pharma, has recently renewed their agreement with Shanghai Boehringer Ingelheim Pharmaceuticals Ltd. and will continue to serve as Boehringer Ingelheim's exclusive representative for drug sales in China for the next two years.

PROSPER

Continuous company development propelled by brand and corporate culture

— Industrial ranking and brand development

1. In May, Fosun International became a constitute stock for the first time in the Morgan Stanley Capital International (MSCI) China Index following the index's bi-annual review. This accolade indicated the wide recognition of Fosun's business direction and achievements among the international investment community.
2. Forte group was awarded "2008 Ten Outstanding Mainland Property Developer Stock", sponsored by "Economic Digest" magazine in Hongkong.
3. Yuyuan Tourist Mart was named as National Advanced Commerce and Trade Unit by Ministry of Commerce of P.R. China.
4. Yuyuan Tourist Mart received "Shanghai Corporate Integrity Building Award 2007".
5. Tebon Securities Co. Ltd. was awarded "the Most Potent Investment Bank" in the event of "2008 Best Investment Banks in China", sponsored by Security Times.

— Honors

1. Mr. Guo Guangchang, Chairman and CEO of Fosun Group, was recently elected as one of the twenty-five most influential business leaders in China by Forbes China.
2. Mr. Liang Xinjun, Vice Chairman and President of Fosun, has successfully finished the Olympic Torch Relay in the Oriental Land in Shanghai on May 24th.

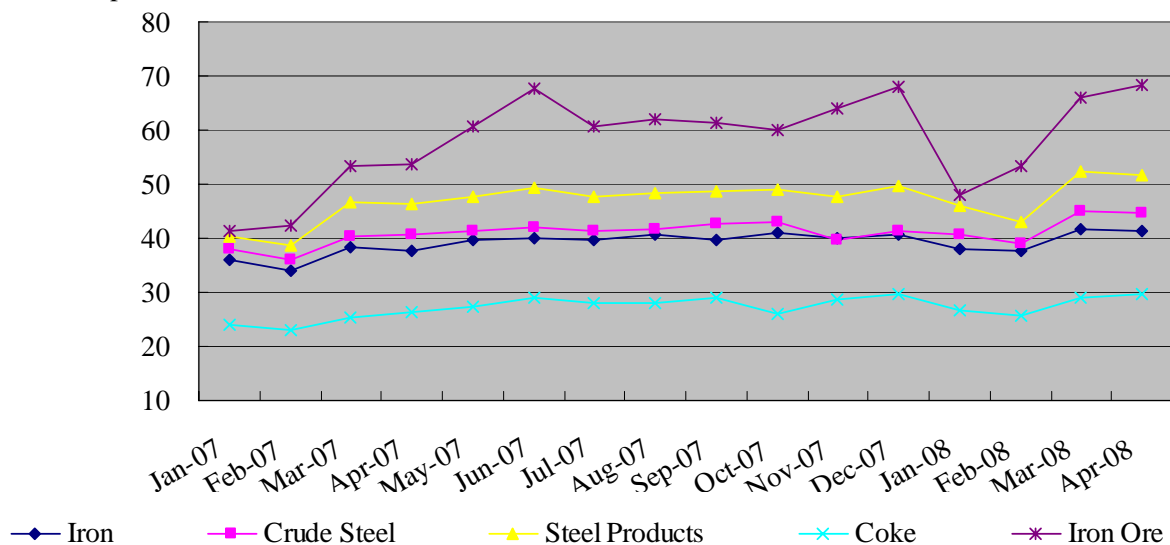
INDUSTRIAL TRENDS (to be continued)

Outputs of iron, crude steel, steel products, coke and iron ore are on continuous rise.

April 2008, domestic outputs of iron, crude steel, steel products, coke and iron ore are 41.27 million tons, 44.67 million tons, 51.61 million tons, 29.62 million tons and 68.19 million tons, an increase of 9.1%, 10.2%, 11.7%, 12.4% and 26.9% over the same period last year, respectively.

Monthly Outputs of Major Raw Materials and Products in China

Outputs, Mt



Links to Relevant Information

Pharmaceuticals

www.fosunpharma.com

Property

www.forte.com.cn

Steel

www.njsteel.com.cn

www.ejianlong.com

www.ningbosteel.com

Mining

www.hnmining.com

www.zhaojin.com.cn

Retails

www.yuyuantm.com.cn

Financial Services

www.tebon.com.cn

ya.netecweb.com

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INDUSTRIAL TRENDS

Global crude steel outputs increased by 5.6% in April 2008 over the same period last year.

According to International Iron and Steel Institute (IISI), global crude steel outputs in April 2008 were 116.4 million tons, a 5.6% increase over the same period last year, of which 44.7 million tons were made in China.

Source: www.mysteel.com

Demand remains strong from emerging economy.

Organization for Economic Cooperation and Development (OECD) suggests that despite of the economic slowdown in United States and other industrialized countries, steel demand remains strong from China and other emerging markets.

In 2007, China's steel consumption increased by 13% to 408 million tons to meet needs from industries including machinery/automobile manufacturing, shipbuilding and construction. Steel consumed by India reached 51 million tons, a 11.3% increase yoy, mostly for industrial and infrastructure development. Owing to the expansion of oil and natural gas industries and increased family income, Russia's steel consumption reached almost 40 million tons, a 13.5% increase yoy. OECD estimated these demands will remain robust.

Source: www.mysteel.com

China Shipbuilding Industry Association (ASIA) estimates need for shipplates will exceed 12 million tons this year.

According to ASIA's statistics, need for domestic shipplates in 2008 will exceed 12 million tons, a 27.5% increase yoy. This figure will rise to over 16 million tons in 2009, a 33.3% increase, and over 18 million tons by 2010. 85% of the shipplates will be consumed by shipbuilding companies along the Yangtze Delta, Bohai Rim and Pearl River Delta.

Source: www.umetal.com

Domestic and international steel prices continued to surge in April.

By the end of April, China Steel Products Complex Price Index was 146.48, a 2.93% increase over last month and 31.77% over the same period last year; CRU World Steel Products Complex Price Index was 237, 6.8% more than last month and a 40.8% increase over the same period last year. The difference in price between international and domestic steel markets is further widening.

Source: www.csteelnews.com

The China Iron and Steel Association (CISA) demands restrictions on iron ore imports.

On May 15th, iron ore inventory at Chinese harbors reached a historic high of 79.22 million tons, over 50% increase than the beginning of the year. To control excessive imports and release burden, CISA requests all members to plan its iron ore imports strictly according to the production schedule and actual inventory need. Meanwhile, various domestic harbors significantly raise storage fees, starting on June 1st, in hope to de-stock inventory, thus to reduce imports and surging shipping fees.

Source: www.mysteel.com

China Coal Transportation and Marketing Association (CCTMA) estimated an overall shortage in coal and coke supply this year.

CCTMA estimates that supply of coal and coke, as well as the growth rate of its demand will both decline this year. Demand will reach 2.74-2.82 billion tons this year. Supplies will be tighter than last year, with prices still on the rise. China is expected to become a net coal and coke importing country in 2008.

Source: www.umetal.com