

Fosun Newsletter

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

Newsletter (Oct. 2008)
To brave a crisis — invest in China



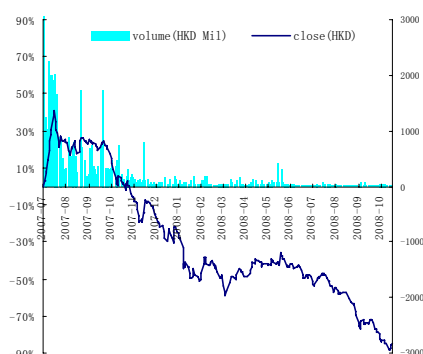
Stock Data

Recent Price(10/31/2008) ...HK\$ 1.55

52 Weeks Range ...HK\$ 1.13–10.64

Shares(Mil)6,422

Market Cap(HK\$Bil)9.95



Highlights

- Fosun Holdings bought an aggregate of 36.5 mil shares of Fosun Intl in Oct.
- New investments by Fosun Group and its subsidiaries exceeds RMB 320 mil.
- Fosun Group ranked 15th among 2008 Shanghai Top 100 Enterprises
- Fosun Pharma obtained AAA industrial credit grade.
- Fosun Intl's A-share listed subsidiaries and major associate announced 3Q reports

The most critical competitive strengths to corporations are: I. Operating with higher efficiency and lower cost...(in order) to outlive competitors in a time of crisis. II. Establishing one's advantage in investment by managing the cost ... (in order) to remain in business when competitors already broke. III. Building sustainable low cost financing channels of multiple sources with large scale... (so as) to remain viable and energized.

Industries to focus for investment: I. Those correlating closely with China's domestic demand with ensured prospects. II. Those affected the least by the current economic crisis or even benefiting from it. III. And those, although affected right now, are likely to enjoy strategic growth once the economy revives.

— Translation of speech delivered by Mr. Liang Xinjun, Vice Chairman and President of Fosun, at the 2008 Global Entrepreneur Summit

Honors Development propelled by brand and culture

-- Industrial Ranking

1. Fosun Group and its associate Yuyuan ranked 15th and 57th with a revenue of RMB 37.998 bil and RMB 5.636 bil, respectively, according to "2008 Shanghai Top 100 Enterprises" jointly published by Shanghai Enterprise Association and Shanghai Entrepreneurs Association.

-- Brand Building and Corporate Value

2. Fosun Group won the Most Respectable Team Spirit Award at Hurun 10-Year Awards.
3. Shanghai Fosun Pharma obtained AAA industrial credit grade.
4. Fosun Pharma won 2008 China's Best Employer award, together with Wal-Mart, GE and other prominent companies. Fosun Pharma is the only domestic pharmaceutical enterprise to win the award.
5. Mr. Wang Qunbin, Chairman of Fosun Pharma, was awarded the Most Socially Responsible Entrepreneur in China.
6. Forte was rewarded 2008 China Blue Chip Real Estate Enterprise by the Economic Observer Newspaper on Oct.24.

-- Corporate Social Responsibility

7. Fosun Group was awarded International Corporate Citizen by organizing committee of China International Charity Foundation in Oct.

Core Business ⁽¹⁾

Pharmaceuticals

...Fosun Pharma(600196.SH)49.0%
 SinoPharm Holding 23.0%⁽²⁾

Property Development

..... Forte(2337.HK)64.7%

Steel

..... NSU 60.0%
Jianlong Group 26.7%
Ningbo Steel 20.0%

Mining

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

Retails

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

Financial Services and other

Strategic Investments

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

Notes:

(1)Effective Shareholding

(2)Fosun Pharma holds a 47.04% stake of SinoPharm Holding

Links to Relevant Information

Pharmaceuticals

www.fosunpharma.com

Property Development

www.forte.com.cn

Steel

www.njsteel.com.cn
 www.ejianlong.com
 www.ningbosteel.com

Mining

www.hnmining.com
 www.zhaojin.com.cn

Retail

www.yuyuantm.com.cn

Financial Services

www.tebon.com.cn
 ya.netecweb.com

Invest capture investment opportunities in crisis with low cost and high return

Invest in Fosun

Fosun Holdings, the controlling shareholder of Fosun Intl, bought an aggregate of 36,546,000 shares of Fosun Intl from Oct.16-23, which clearly demonstrated its confidence in the company.

Industry Investment

Project	Acquirer	Cost (RMB)	Type	Stake
Hongshan Mining	Hainan Mining	212 mil	Equity Acquisition	70%

Hainan Mining invested in Hongshan Mining Metal Co., Ltd. in Tuoli County of Xinjiang to increase the iron ore and chromium/iron ore reserve for Fosun's mining platform.

Project highlights:

Rich deposits

Iron ore: proven iron ore (mainly magnetite) deposits is 12.477 mil tons with average grade of over 50%; estimated prospective deposits is 50 mil tons.

Chromium iron ore: great growth potentials with mining rights covering 1km²

Close to downstream customers with consistent demand

Adjacent steel enterprises have production capacities of around 13 mil tons and the iron ore resources are relatively scarce in nearby areas.

Strategic significance

Locates in resource-rich Xinjiang area with strategic significance.

Strategic Investment

Fosun Pharma invests in Tongjitang Chinese Medicines*.

Project	Acquirer	Cost (USD)	Type	Stake
Tongjitang Chinese Medicines (NYSE:TCM)	Fosun Pharma	8.18 mil	Stock Purchase	6.4%

TCM is a pharmaceutical company manufacturing modernized traditional Chinese medicine. Its key product Xianling Gubao is for the treatment of osteoporosis.

* As of closing time of NYSE 30 Oct. 2008

Pre-IPO Investment

Fosun Group invested in Shaanxi Hongqi Industrial Explosive Group which is the largest explosive enterprise in China's northwest regions.

Project	Acquirer	Cost (RMB)	Type	Stake
Hongqi Explosive	Fosun Group	61 mil	Equity Acquisition Private Placement	24%

Hongqi Explosive is focused on the manufacturing and selling of various industrial explosives with licensed production capacity of 82,000 tons. Its outputs and sales are ranked top 5 within industry for 3 consecutive years.

Results summary of 3Q08 results of Fosun's A-share listed subsidiaries and associate⁽¹⁾

Fosun Pharma

— the 2nd fastest growing company among listed industrial peers⁽²⁾

Unit: RMB in mil	Jan.to Sep.,2008	Y-O-Y Change
Revenue ⁽³⁾	2,845	11%
Net profit attributable to Shareholders of the parent	659	115%

NISCO

— gross profit margin compressed due to price decline of steel products

Unit: RMB in mil	Jan.to Sep.,2008	Y-O-Y Change
Revenue	23,181	44%
Net profit attributable to Shareholders of the parent	646	-13%

Yuyuan

—profit from main operations continues to grow despite of a weak market

Unit: RMB in mil	Jan.to Sep.,2008	Y-O-Y Change
Revenue	6,216	52%
Net profit attributable to Shareholders of the parent ⁽⁴⁾	279	-10%

Notes:

1. Based on China Accounting Standards.
2. Based on rankings of net profit growth rate for the first 3 quarters of this year among pharmaceutical enterprises with revenue exceeding RMB 1 bil, reported as of 31 Oct. 2008.
3. Contribution from Guangxi Huahong has been deducted from revenue of the same period of 2007 to ensure comparability.
4. PBT grew by 25%, excluding profits from contributions from investment income and non-operating income.

Latest FAQs

Some listed companies unveiled recently that they have incurred heavy losses stemming from their exposures to derivative products relating to foreign currency swaps. Has your company been engaged in products of this nature?

As at 31 Oct. 2008, Fosun International at the Group level has no exposure to this kind of high-risk leveraged derivative financial instruments. Individual subsidiaries of Fosun have entered into a small amount of forward foreign currency contracts to meet their import/export needs out of their normal business operations involving amounts aggregating no more than 1% of the Group's revenue for the first half, bearing insignificant impact to the Group as a whole (Based on current estimation, aggregated amount of such contracts accounts for approximately USD 5 million. The locked dollar to RMB exchange ratio is between 6.49 to 7.08) .

Contact Information

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