

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**FOSUN 复星**

**Fosun International Limited**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**(Stock code: 0656)**

**DISCLOSEABLE TRANSACTION  
FORMATION OF A JOINT VENTURE  
AND RESUMPTION OF TRADING**

The Directors are pleased to announce that on 15 August 2007, Fosun Group and Industrial Investment, both wholly owned subsidiaries of the Company, entered into the JV Contract with Hainan Steel in respect of the formation of the JV for the purposes of engaging in the mining and processing of iron ore. The JV will be owned as to 40% by Hainan Steel, 20% by Fosun Group and 40% by Industrial Investment.

Given that the relevant percentage ratios involved are more than 5% but less than 25%, the JV Contract and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to notification requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. A circular containing details of the JV Contract will be dispatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:30 a.m. on 16 August 2007 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 20 August 2007.

**A. THE JV CONTRACT**

The principal terms of the JV Contract are set out below:

Date:	15 August 2007
Parties:	Hainan Steel, Fosun Group and Industrial Investment
Purpose:	To engage in the mining and exploitation of iron ore
Name of the JV:	海南礦業聯合有限公司 (Hainan Mining United Co., Ltd.)
Place of incorporation and location of the JV:	Shilu Town, Changjiang County, Hainan Province, PRC

Equity interest: Percentage of equity interests in the JV to be held by the JV Parties are:

Hainan Steel	40%
Fosun Group	20%
Industrial Investment	<u>40%</u>
Total	<u><u>100%</u></u>

The profit of the JV will be shared in proportion to the equity interests held by the JV Parties.

The JV will become a subsidiary of the Company upon its establishment.

Capital contribution: The total investment and total registered capital of the JV will be RMB1.5 billion. Pursuant to the JV Contract, the JV Parties will make their contribution to the registered capital of the JV in proportion to their respective interests in the JV. Hainan Steel will contribute its share of the registered capital in kind including land use rights, buildings rights, iron ore mining rights and mining and manufacturing equipments, subject to the valuation of the assets (the "Assets"). The net value of the Assets to be contributed by Hainan Steel will be RMB600 million. Fosun Group and Industrial Investment will contribute their respective share of the registered capital in cash with an aggregate of RMB900 million. Apart from the above, there is no additional capital commitment from the JV Parties.

The funding of the capital contribution by Fosun Group and Industrial Investment will come from internal resources of the Group and not from the proceeds of the Company's initial public offering. The JV Parties will make full contribution of the registered capital within 30 business days from the effective date of the JV Contract.

The net profits, before and after taxation, minority interests and extraordinary items, attributable to the Assets for the nine months ended 30 September 2006 are RMB235.9 million and RMB207.6 million respectively. The above are unaudited figures and are prepared in accordance with the PRC Generally Accepted Accounting Principles.

Scope of business:	Principal businesses include: Mining and exploitation of black, coloured and non-metallic iron ore and others (The above is subject to the verification and registration of the Administration for Commerce and Industry of Hainan Province).  The JV currently has no plan to engage in any activities relating to exploration of natural resources.
Board of directors:	The Board shall consist of seven Directors, three of whom shall be nominated by Hainan Steel, one by Fosun Group and three by Industrial Investment. The first chairman of the board shall be recommended by Fosun Group.
Management organization:	The JV will have one general manager. The first general manager will be recommended by Hainan Steel, who will be responsible for the daily management and operation of the JV. The JV shall establish a supervisory committee consisting of 3 members. Hainan Steel and Fosun Group will each nominate one member and the representative of the labour union of JV will be the third member of the supervisory committee.
Term:	50 years from the date of issue of its business license.
Conditions Precedent:	The JV Contract is subject to the approval of the relevant PRC government authorities.

## **B. REASONS FOR AND BENEFIT OF ENTERING INTO THE JV CONTRACT**

By entering into the JV contract, the Directors believe that it will provide a good opportunity for the Group to enhance its competitiveness in furtherance of its business in iron ore mining and processing. The Board considers the Group may share valuable market experiences and management skills and with that creates synergistic effects and further enhance its market position in iron ore mining and processing, in particular in Hainan province.

The terms of the JV Contract were negotiated on an arm's length basis and were determined on normal commercial terms. The Directors, including the independent non-executive Directors, believe that the terms of the JV Contract are fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

## **C. GENERAL**

The principal activities of the Group are: (i) steel; (ii) property development; (iii) pharmaceuticals; (iv) investments in retail business; and (v) financial services and strategic investments, which operate through Fosun Group. Industrial Investment are wholly owned subsidiary of the Fosun Group and it is an investment holding company.

The principal activities of Hainan Steel are mining and exploitation of iron ore.

## **D. DISCLOSEABLE TRANSACTION**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Hainan Steel and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company as defined under the Listing Rules.

The Company confirms that the formation of the JV constitutes price sensitive information under Rule 13.09 of the Listing Rule.

Given that the relevant percentage ratios involved are more than 5% but less than 25%, the JV Contract and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to notification requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

A circular containing details of the JV Contract will be dispatched to the Shareholders as soon as practicable.

### **General**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:30 a.m. on 16 August 2007 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 20 August 2007.

## **E. DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board” the Company's board of Directors;

“Company” 復星國際有限公司 (Fosun International Limited), a company incorporated in Hong Kong on 24 December 2004 with its shares listed and traded on the main board of the Stock Exchange;

“Directors”	the directors of the Company;
“Fosun Group”	上海復星高科技(集團)有限公司 (Shanghai Fosun High Technology (Group) Co., Ltd.), a wholly owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hainan Steel”	海南鋼鐵公司 (Hainan Iron & Steel Company);
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Industrial Investment”	上海復星產業投資有限公司 (Shanghai Fosun Industrial Investment Co., Ltd.), a wholly owned subsidiary of Fosun Group;
“JV Contract”	the joint venture contract dated 15 August 2007 between the JV Parties in respect of the establishment of the JV;
“JV”	an equity joint venture which will be established in the PRC pursuant to the terms of the JV Contact;
“JV Parties”	Hainan Steel, Fosun Group and Industrial Investment;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan);
“RMB”	renminbi, the lawful currency of the PRC;
“Shareholders”	The shareholders of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

Shanghai, the PRC  
17 August 2007

*As at the date of this announcement, the executive Directors are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetao and Mr. Wu Ping; the non-executive Director is Mr. Liu Benren; and the independent non-executive Directors are Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.*