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If you have sold or transferred all your shares in Fosun International Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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FOSUN 复星

FOSUN INTERNATIONAL LIMITED

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

(Stock code: 0656)

DISCLOSEABLE TRANSACTION

DISPOSAL OF SHARES IN NANJING IRON & STEEL

A letter from the board of directors of the Company is set out on pages 2 to 4 of this circular.

11 February 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“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;
“Disposal”	the sale of 79,355,049 tradable shares in Nanjing Iron & Steel by Nanjing Steel United at the market prices on the market of Shanghai Stock Exchange in the PRC during the period from 25 July 2007 to 23 January 2008 (both dates inclusive);
“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;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	4 February 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Nanjing Iron & Steel”	南京鋼鐵股份有限公司 (Nanjing Iron & Steel Shareholding Co., Ltd.), a company incorporated with limited liability in the PRC, whose shares are listed on the Shanghai Stock Exchange and a subsidiary of Nanjing Steel United;
“Nanjing Steel United”	南京鋼鐵聯合有限公司 (Nanjing Iron and Steel United Co., Ltd.), a domestic joint venture company incorporated with limited liability in the PRC and a subsidiary of the Company;
“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;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the shareholders of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

FOSUN 复星

FOSUN INTERNATIONAL LIMITED

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

(Stock code: 0656)

Directors:

Executive Directors:

Mr. Guo Guangchang (*Chairman*)

Mr. Liang Xinjun

Mr. Wang Qunbin

Mr. Fan Wei

Mr. Ding Guoqi

Mr. Qin Xuetang

Mr. Wu Ping

Non-Executive Director:

Mr. Liu Benren

Independent Non-Executive Directors:

Mr. Chen Kaixian

Mr. Zhang Shengman

Mr. Andrew Y. Yan

Registered office:

Room 808

ICBC Tower

3 Garden Road

Central

Hong Kong

Place of Business in PRC:

Fosun Business Building

2 East Fuxing Road

Shanghai, PRC

11 February 2008

To the shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
DISPOSAL OF SHARES IN NANJING IRON & STEEL**

1. INTRODUCTION

Reference is made to the Company's announcement dated 24 January 2008, in which the Directors announced that Nanjing Steel United, a subsidiary of the Company, had in aggregate disposed on market of 79,355,049 tradable shares in Nanjing Iron & Steel during the period from 25 July 2007 to 23 January 2008.

The Disposal constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules. The Disposal became a discloseable transaction of the Company on 23 January 2008 when Nanjing Steel United disposed of 9,880,000 tradable shares in Nanjing Iron & Steel from 2 to 23 January 2008 and the applicable percentage ratios under Chapter 14 of the Listing Rules first exceeds 5% but not exceed 25%.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information relating to, among others, details of the Disposal.

2. DISPOSAL OF SHARES IN NANJING IRON & STEEL

During the period from 25 July 2007 to 23 January 2008 (both dates inclusive), Nanjing Steel United had disposed on market of the Shanghai Stock Exchange in the PRC of 79,355,049 tradable shares in Nanjing Iron & Steel. Nanjing Steel United is owned as to 60% by the Group.

The Directors are not aware of the identity(ies) of the counterparty(ies) of the Disposal but to the best of their knowledge, information and belief and after having made all reasonable enquiry, the counterparty(ies) is/are third parties independent of the Company and is/are not connected persons (as defined in the Listing Rules) of the Company. Detailed transaction records of the Disposal are set out below.

Transaction dates	No. of shares sold	Net proceeds (RMB)	Average disposal price per share (RMB)
25 July to 28 December 2007	69,475,049	1,302,520,311.36	18.82
2 to 23 January 2008	<u>9,880,000</u>	<u>213,737,260.52</u>	22.15
Total	<u><u>79,355,049</u></u>	<u><u>1,516,257,571.88</u></u>	

The total consideration in cash from the Disposal was RMB1,516,257,571.88. The net proceeds will be used as Nanjing Steel United's general working capital.

3. INFORMATION ON NANJING IRON & STEEL

Nanjing Iron & Steel is principally engaged in the production of steel. Based on the latest published annual report of Nanjing Iron & Steel for the year ended 31 December 2006 which were prepared under the PRC GAAP, the consolidated net profit before taxation and extraordinary items of Nanjing Iron & Steel for the two financial years ended 31 December 2005 and 2006 were RMB579,352,077.43 and RMB558,317,238.77 respectively, and the consolidated net profit after taxation and extraordinary items of Nanjing Iron & Steel for the two financial years ended 31 December 2005 and 2006 were RMB410,234,636.56 and RMB389,344,370.97 respectively.

The net profit in respect of the Disposal was approximately RMB781,584,352.13. The book value of such shares was approximately RMB369,046,844.14. The net profit is calculated by deducting the original share prices, the accumulated share of net operating profit of such shares, the income tax and transaction fees from the selling prices of the shares sold in the market.

Before the Disposal, Nanjing Steel United held 671,855,049 shares (71.78%) in Nanjing Iron & Steel. After the Disposal, Nanjing Steel United holds 592,500,000 shares (63.3%) in Nanjing Iron & Steel.

After the Disposal, Nanjing Iron & Steel remains as a subsidiary of the Company. The financial statements of Nanjing Iron & Steel are consolidated into the Group.

LETTER FROM THE BOARD

4. REASON FOR DISPOSAL

The Board (including independent non-executive directors) considers that the Disposal represents a good opportunity for Nanjing Steel United to realize profit from its investment while retaining its control in Nanjing Iron & Steel. The Board (including independent non-executive directors) is of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole.

5. EFFECT OF DISPOSAL ON EARNINGS, ASSETS AND LIABILITIES OF THE COMPANY

The portion of net profit realised from 25 July to 28 December 2007 by Nanjing Steel United from the Disposal will be accounted for in the financial results of Nanjing Steel United for year 2007, which is currently estimated to be approximately RMB655,441,506.74. The Disposal will not have effect on assets and liabilities of the Company.

6. INFORMATION ON THE GROUP, NANJING STEEL UNITED AND NANJING IRON & STEEL

The principal activities of the Group are (i) pharmaceuticals; (ii) property; (iii) steel; (iv) mining; (v) retail; and (vi) financial services and strategic investments, which operate through Fosun Group.

Nanjing Steel United is principally engaged in the production of steel. Nanjing Steel United is one of the largest producers of medium and heavy plates in China with integrated capabilities for production processes, including coking, sintering, iron and steel smelting and steel rolling.

Nanjing Steel United is owned as to 60% by the Group.

The Disposal constitutes discloseable transactions of the Company as it exceeds 5% but not more than 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules. The Disposal became a discloseable transaction of the Company on 23 January 2008 when Nanjing Steel United disposed of 9,880,000 tradable shares in Nanjing Iron & Steel from 2 to 23 January 2008 and the applicable percentage ratios under Chapter 14 of the Listing Rules first exceeds 5% but not exceed 25%.

7. GENERAL

Your attention is also drawn to the further information contained in the Appendix to this circular.

Yours faithfully,
Guo Guangchang
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors interests in securities

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies had been notified to the Company and the Stock Exchange, were as follows:

(1) *Long positions in the shares, underlying shares and debentures of the Company*

Name of Director/ chief executive	Number of Shares	Nature of interests	Approximate percentage of share in issue
Guo Guangchang	5,011,588,500 ⁽¹⁾	Corporate	77.85%

(2) *Long position in the shares, underlying shares and debenture of the Company's associated corporations (within the meaning of Part XV of the SFO):*

Name of Director/ chief executive	Name of associated corporation	Number of Shares	Nature of interests	Approximate percentage of share in issue of the associated corporation
Guo Guangchang	Fosun Holdings Limited	1	Corporation	100%
	Fosun International Holdings Ltd.	29,000	Individual	58%
	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.01%
Liang Xinjun	Fosun International Holdings Ltd.	11,000	Individual	22%
Wang Qunbin	Fosun International Holdings Ltd.	5,000	Individual	10%
	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.01%
Fan Wei	Fosun International Holdings Ltd.	5,000	Individual	10%
Qin Xuetao	Shanghai Fosun Pharmaceutical (Group) Company Limited	76,050	Individual	0.01%

Note:

- (1) 5,011,588,500 shares are deemed corporate interests through Fosun Holdings Limited (“Fosun Holdings”) and Fosun International Holdings Ltd. (“Fosun International Holdings”) pursuant to Division 7 of Part XV of the SFO.

(B) Substantial shareholders' interests in securities

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as was known to the Directors of the Company, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

Name	Number of shares directly or indirectly held	Approximate percentage of issued Share capacity
Fosun Holdings	5,011,588,500	77.85%
Fosun International Holdings ⁽¹⁾	5,011,588,500 ⁽²⁾	77.85%
Guo Guangchang ⁽³⁾	5,011,588,500	77.85%

Notes:

- (1) Fosun International Holdings is held by Messrs. Guo Guangchang, Liang Xinjun, Wang Qunbin and Fan Wei with 58.0%, 22.0%, 10.0% and 10.0% equity interests, respectively.
- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings and, therefore, Fosun International Holdings is deemed, or taken to be, interested in the shares owned by Fosun Holdings for the purposes of the SFO.
- (3) Such shares represent the deemed interest of Mr. Guo Guangchang by virtue of his 58.0% shareholding in Fosun International Holdings.
- (4) Mr. Guo Guangchang is the sole director of Fosun Holdings and Fosun International Holdings.

Save as disclosed herein so far as is known to the Directors, as at the Latest Practicable Date, no person (not being a Director of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a subsidiary of the Company, or in any options in respect of such share capital.

3. SERVICE CONTRACT

Each of the Directors of the Company has entered into a service contract with the Company for a term of not more than three years, which can be terminated by either party by giving a prior written notice of three months to the other party.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the relevant employer within one year without payment of compensation other than statutory compensation).

4. INTEREST IN COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in other business which competes or is likely to compete with the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and, as far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any other members of the Group.

6. MISCELLANEOUS

- (A) The Company is in the process of identifying a suitable candidate with appropriate qualification and experience as its qualified accountant and will notify the Shareholders as soon as it is confirmed.
- (B) The registered office of the Company is situated at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong. The share registrar of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712–16 Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (C) The company secretary of the Company is Ms. Kam Mei Ha, Wendy, who is an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (D) The English text of this document shall prevail over the Chinese text in the case of inconsistency.