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**FOSUN 复星**

**FOSUN INTERNATIONAL LIMITED**

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

**(Stock Code: 0656)**

## **CONNECTED TRANSACTION**

The Board announces that on 16 February 2009, Qishen Investment, a wholly owned subsidiary of Fosun Pharma, and Sinopharm Group entered into a Capital Injection Agreement, pursuant to which Qishen Investment and Sinopharm Group agreed to inject capital of RMB294,000,000 (equivalent to approximately HK\$333,529,972) and RMB306,000,000 (equivalent to approximately HK\$347,143,441), respectively, into Sinopharm Investment in proportion to their shareholdings in Sinopharm Investment. Upon completion of the capital increase, Qishen Investment and Sinopharm Group will continue to hold 49% and 51% equity interest in Sinopharm Investment, respectively.

As one or more of the percentage ratios exceed 0.1% but less than 2.5%, the transaction contemplated under the Capital Injection Agreement constitutes a connected transaction under the Listing Rules and is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

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## **CAPITAL INJECTION AGREEMENT**

Date: 16 February 2009

Parties: (1) Qishen Investment  
(2) Sinopharm Group

Principal terms:

As of the date of this announcement, Qishen Investment and Sinopharm Group hold 49% and 51% equity interest in Sinopharm Investment respectively.

Pursuant to the Capital Injection Agreement, Qishen Investment and Sinopharm Group agreed to inject capital of RMB294,000,000 (equivalent to approximately HK\$333,529,972) and RMB306,000,000 (equivalent to approximately HK\$347,143,441) respectively into Sinopharm Investment in proportion to their shareholdings in Sinopharm Investment. Upon completion of the capital increase, the registered capital of Sinopharm Investment will be increased from RMB100,000,000 (equivalent to approximately HK\$113,445,569) to RMB700,000,000 (equivalent to approximately HK\$794,118,982) and Qishen Investment and Sinopharm Group will continue to hold 49% and 51% equity interest in Sinopharm Investment, respectively.

The transaction contemplated under the Capital Injection Agreement is subject to registration at relevant government authorities.

The amount to be paid in cash by Qishen Investment pursuant to the Capital Injection Agreement will be financed by internal resources of the Group.

## **REASONS FOR ENTERING INTO THE CAPITAL INJECTION AGREEMENT**

The additional capital of Sinopharm Investment injected by Qishen Investment and Sinopharm Group will be used as working capital of Sinopharm Investment.

The Directors (including the independent non-executive Directors) are of the opinion that the transaction contemplated under the Capital Injection Agreement is in the interest of the Company and its shareholders as a whole and consider that the terms of the Capital Injection Agreement are on normal commercial terms, fair and reasonable.

## **INFORMATION ON SINOPHARM GROUP**

Sinopharm Group is a company established under the laws of the PRC. Sinopharm Group is principally engaged in management of its pharmaceutical enterprises and wholesaling of pharmaceutical products.

## **INFORMATION ON SINOPHARM INVESTMENT**

Sinopharm Investment is a company established under the laws of the PRC with a registered capital of RMB100,000,000 (equivalent to approximately HK\$113,445,569) prior to the completion of the Capital Injection Agreement. Sinopharm Investment is a 51% subsidiary of Sinopharm Group and the remaining 49% equity interest in Sinopharm Investment is owned by Qishen Investment (Qishen Investment transferred 47.04% equity interest in Sinopharm Medicine Holding Company Limited to Sinopharm Investment and injected RMB14,700,000 (equivalent to approximately HK\$16,676,499) in cash in return for the 49% equity interest in Sinopharm Investment on 28 July 2008. Please refer to the Company's announcement dated 20 June 2008 for details). Sinopharm Investment is principally engaged in corporate investment, pharmaceutical business management, asset investment and the provision of pharmaceutical consultancy services. Sinopharm Investment is and will remain as an associate of the Group prior to and after the completion of the Capital Injection Agreement.

## **INFORMATION ON QISHEN INVESTMENT**

Qishen Investment is a company established under the laws of the PRC and a wholly owned subsidiary of Fosun Pharma. The principal business of Qishen Investment is investment holding.

## **CONNECTED TRANSACTION**

Fosun Pharma is a connected person of the Company for the purpose of the Listing Rules for the reason that it is a substantial shareholder of Forte, a subsidiary of the Company. Sinopharm Investment is an Associate of Fosun Pharma by virtue of it being an Associate of Qishen Investment. In addition, Sinopharm Group is an Associate of Fosun Pharma by virtue of it being the holding company of Sinopharm Investment. Accordingly, the transaction contemplated under the Capital Injection Agreement constitutes a connected transaction under the Listing Rules.

## **IMPLICATION OF THE LISTING RULES**

As one or more of the percentage ratios exceed 0.1% but less than 2.5%, the transaction contemplated under the Capital Injection Agreement constitutes a connected transaction under the Listing Rules and is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **GENERAL**

The principal activities of the Group are: (i) pharmaceuticals; (ii) property development; (iii) steel; (iv) mining; (v) investments in retail business; and (vi) financial services and strategic investments.

## **DEFINITION**

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

“Associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Capital Injection Agreement”	the agreement entered into between Qishen Investment and Sinopharm Group on 16 February 2009 in relation to the capital injection by Qishen Investment and Sinopharm Group into Sinopharm Investment
“Company”	復星國際有限公司 (Fosun International Limited), a company incorporated in Hong Kong with its shares listed and traded on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Forte”	復地(集團)股份有限公司 (Shanghai Forte Land Co., Ltd.) a limited liability company established in the PRC and a subsidiary of the Company
“Fosun Pharma”	上海復星醫藥(集團)股份有限公司 (Shanghai Fosun Pharmaceuticals (Group) Company Limited) a limited liability company established in the PRC and a subsidiary of the Company

“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Qishen Investment”	上海齊紳投資管理有限公司 (Shanghai Qishen Investment Co. Ltd.) a limited liability company established in the PRC and a wholly owned subsidiary of Fosun Pharma
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Sinopharm Group”	中國醫葯集團總公司 (China National Pharmaceutical Group Corporation), a company established in the PRC
“Sinopharm Investment”	國葯產業投資有限公司 (Sinopharm Industrial Investment Company Limited) a company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

16 February 2009, Shanghai, the PRC

*As at the date of this announcement, the Company’s 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.*