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FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 0656)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 20% EQUITY INTEREST IN NINGBO STEEL

The Board announces that on 27 February 2009, Nanjing Steel United, a 60% owned subsidiary of the Company, and Hangzhou Iron & Steel entered into a Share Transfer Agreement, pursuant to which, Nanjing Steel United has agreed to sell to Hangzhou Iron & Steel its 20% equity interest in Ningbo Steel at a consideration of RMB720,000,000 (equivalent to approximately HK\$816,576,503.01).

Since one or more of the applicable percentage ratios in relation to the Disposal exceed 5% but below 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 27 February 2009, Nanjing Steel United, a 60% owned subsidiary of the Company, and Hangzhou Iron & Steel entered into a Share Transfer Agreement, pursuant to which, Nanjing Steel United has agreed to sell to Hangzhou Iron & Steel its 20% equity interest in Ningbo Steel at a consideration of RMB720,000,000 (equivalent to approximately HK\$816,576,503.01).

THE SHARE TRANSFER AGREEMENT

Date:

27 February 2009

Parties:

- (i) Nanjing Steel United, as the Vendor
- (ii) Hangzhou Iron & Steel, as the Purchaser

Principal terms:

Pursuant to the Share Transfer Agreement, Nanjing Steel United has agreed to sell to Hangzhou Iron & Steel its 20% equity interest in Ningbo Steel at a consideration of RMB720,000,000 (equivalent to approximately HK\$816,576,503.01). The consideration has been arrived at after arm's length negotiations between the parties to the Share Transfer Agreement with reference to the initial amount of capital contribution to Ningbo Steel made by Nanjing Steel United in the amount of RMB720,000,000 (equivalent to approximately HK\$816,576,503.01).

As partial settlement of the consideration in the amount of RMB83,818,000 (equivalent to approximately HK\$95,060,846.29), Hangzhou Iron & Steel will settle a liability in the amount of RMB83,818,000 (equivalent to approximately HK\$95,060,846.29) due to Ningbo Steel for and on behalf of Nanjing Steel United, hence, the consideration in cash payable by Hangzhou Iron & Steel will be RMB636,182,000 (equivalent to approximately HK\$721,515,656.72).

The consideration in cash in the amount of RMB636,182,000 (equivalent to approximately HK\$721,515,656.72) will be settled by Hangzhou Iron & Steel in the following manner:

- (i) RMB63,618,200 (equivalent to approximately HK\$72,151,565.67), being 10% of the consideration in cash, will be settled within 2 business days after the submission of the relevant documents for business registration;
- (ii) RMB445,327,400 (equivalent to approximately HK\$505,060,959.70), being 70% of the consideration in cash, will be settled within 2 business days after the completion of the change of business registration; and
- (iii) RMB127,236,400 (equivalent to approximately HK\$144,303,131.34), being 20% of the consideration in cash, will be settled on the next business day after the completion of the handover works between Nanjing Steel United and Hangzhou Iron & Steel.

INFORMATION ON HANGZHOU IRON & STEEL

Hangzhou Iron & Steel is a wholly state-owned enterprise incorporated under the laws of the PRC which is principally engaged in iron and steel business.

INFORMATION ON NINGBO STEEL

Ningbo Steel is a limited liability company established in the PRC on 14 January 2003. Its principal business activity is manufacturing and sale of iron and steel products. The total registered capital of Ningbo Steel is RMB3.6 billion (equivalent to approximately HK\$4.083 billion).

Based on the audited accounts of Ningbo Steel for the financial year ended 31 December 2007 prepared in accordance with PRC General Accepted Accounting Principles, the audited book value of net asset of Ningbo Steel was RMB3,209,486,856.14 (equivalent to approximately HK\$3,639,988,268.67) as of 31 December 2007.

The following table shows the audited financial information prepared in accordance with PRC General Accepted Accounting Principles of Ningbo Steel for the two financial years ended 31 December 2006 and 31 December 2007, respectively:-

	For the financial year ended 31 December	
	2006	2007
	RMB	RMB
Net profit / (loss) before taxation	Nil	(488,006,710.29)
Net profit / (loss) after taxation	Nil	(390,513,143.86)

FINANCIAL EFFECTS OF THE DISPOSAL

The proceeds from the transaction under the Share Transfer Agreement in the amount of RMB636,182,000 (equivalent to approximately HK\$721,515,656.72) will be applied towards general working capital of Nanjing Steel United.

The gain realised from the transaction under the Share Transfer Agreement accounted for in the financial statements of the Group is currently estimated to be approximately RMB636,182,000 (equivalent to approximately HK\$721,515,656.72), which is the difference between the consideration in cash and the carrying amount of interest in Ningbo Steel. The assets of the Group will be increased by the same amount and there will be no impact on the liabilities of the Group before taking into account of the income tax effects.

Upon completion of the transaction under the Share Transfer Agreement, the Group will no longer hold any direct equity interest in Ningbo Steel, and accordingly, Ningbo Steel will cease to be an associate of the Group.

REASONS FOR AND BENEFITS OF THE SHARE TRANSFER AGREEMENT

After taking into account of the difficulty in integrating Ningbo Steel with our existing steel business given its existing shareholding structure, the Directors consider that it is in the interests of the Company to exit its investment in Ningbo Steel in order to avoid further loss incurred in this project in the future by the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Hangzhou Iron & Steel and its ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons.

Since one or more of the applicable percentage ratios in relation to the Disposal exceed 5% but below 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company confirms that there is no other transaction entered into between any member of the Group and Hangzhou Iron & Steel or its Associates within a 12 months period from the date of this announcement or otherwise related, which would be, together with the transaction under the Share Transfer Agreement, regarded as a series of transactions and treated as if they are one transaction under Rules 14.22 of 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.

DEFINITIONS

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
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose shares are listed and traded on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of 20% equity interest in Ningbo Steel by Nanjing Steel United to Hangzhou Iron & Steel pursuant to the Share Transfer Agreement
“Fosun Group”	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a limited liability company incorporated under the laws of the PRC and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hangzhou Iron & Steel”	Hangzhou Iron & Steel Group Company (杭州鋼鐵集團公司), a wholly state-owned enterprise incorporated under the laws of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Steel United”	Nanjing Iron & Steel United Co., Ltd. (南京鋼鐵聯合有限公司), a limited liability company incorporated under the laws of the PRC and a 60% owned subsidiary of the Company
“Ningbo Steel”	Ningbo Iron & Steel Co., Ltd. (寧波鋼鐵有限公司), a limited liability company incorporated under the laws of the PRC

“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Share Transfer Agreement”	a share transfer agreement dated 27 February 2009 and entered into between Nanjing Steel United and Hangzhou Iron & Steel, pursuant to which, Nanjing Steel United has agreed to sell to Hangzhou Iron & Steel its 20% equity interest in Ningbo Steel
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

27 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.