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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  
IN RELATION TO  
DISPOSAL OF 19.7405% EQUITY INTEREST IN  
TEBON SECURITIES**

The Board announces that on 27 February 2009, Fosun Industrial Investment, a wholly owned indirect subsidiary of the Company, and Xingye Investment entered into a Share Transfer Agreement, pursuant to which, Fosun Industrial Investment has agreed to sell to Xingye Investment its 19.7405% equity interest in Tebon Securities at a consideration of RMB243,040,933.75 (equivalent to approximately HK\$275,640,994.13).

Xingye Investment is an Associate of Mr. Guo Guangchang, a director of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. The transaction under the Share Transfer Agreement hence constitutes a connected transaction for the Company under Chapter 14A 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 Share Transfer Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48(2) of the Listing Rules.

**INTRODUCTION**

The Board announces that on 27 February 2009, Fosun Industrial Investment, a wholly owned indirect subsidiary of the Company, and Xingye Investment entered into a Share Transfer Agreement, pursuant to which, Fosun Industrial Investment has agreed to sell to Xingye Investment its 19.7405% equity interest in Tebon Securities at a consideration of RMB243,040,933.75 (equivalent to approximately HK\$275,640,994.13).

## **THE SHARE TRANSFER AGREEMENT**

### **Date:**

27 February 2009

### **Parties:**

- (i) Fosun Industrial Investment, as the Vendor
- (ii) Xingye Investment, as the Purchaser

### **Consideration:**

Pursuant to the Share Transfer Agreement, Fosun Industrial Investment has agreed to sell to Xingye Investment its 19.7405% equity interest in Tebon Securities at a consideration of RMB243,040,933.75 (equivalent to approximately HK\$275,640,994.13), which shall be fully settled in cash within 30 days after the completion of the registration with the relevant regulatory authority.

The consideration has been arrived at after arm's length negotiations between the parties to the Share Transfer Agreement with reference to the audited net asset value prepared in accordance with PRC General Accepted Accounting Principles of Tebon Securities of RMB1,661,179,219.13 (equivalent to approximately HK\$1,883,999,885.59) as at 31 December 2008 and taking into account of the proposed dividend of RMB430,000,000 (equivalent to approximately HK\$487,677,633.74) to be distributed by Tebon Securities to its shareholders, out of which, Fosun Industrial Investment will be entitled to RMB84,882,000 (equivalent to approximately HK\$96,267,564.90).

### **Conditions precedents:**

The completion of the Share Transfer Agreement is subject to the following conditions:-

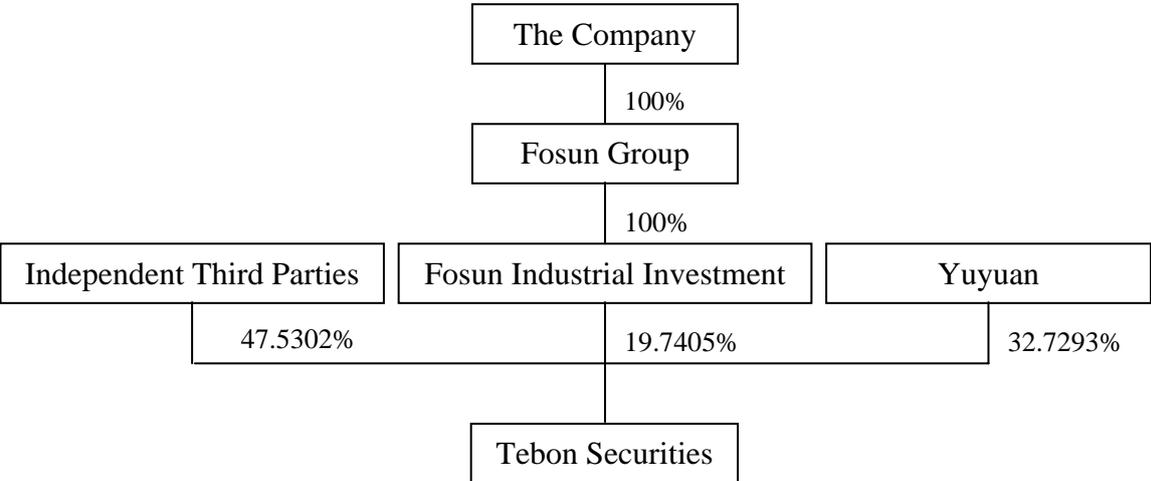
- (i) the approval by the shareholders of Tebon Securities;
- (ii) the surrender of pre-emptive rights of other shareholders of Tebon Securities; and
- (iii) the approval by the China Securities Regulatory Commission.

**INFORMATION ON TEBON SECURITIES**

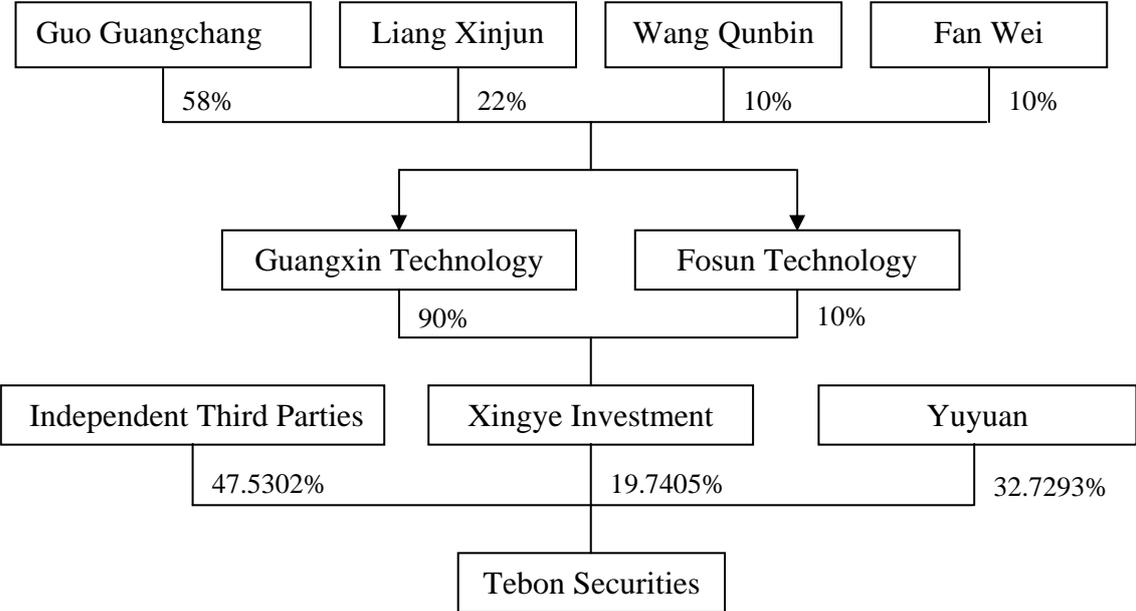
Tebon Securities is a limited liability company established in the PRC on 15 May 2003. Its principal business activities are investment banking, securities trading and brokerage.

The shareholding structure of Tebon Securities before and after the completion of the Share Transfer Agreement is set out below:

**Before the completion of the Share Transfer Agreement:**



**After the completion of the Share Transfer Agreement:**



Based on the audited accounts of Tebon Securities for the financial year ended 31 December 2008 prepared in accordance with the PRC General Accepted Accounting Principles, the audited book value of net asset of Tebon Securities was RMB1,661,179,219.13 (equivalent to approximately HK\$1,883,999,885.59) as of 31 December 2008.

The following table shows the audited financial information prepared in accordance with PRC General Accepted Accounting Principles of Tebon Securities for the two financial years ended 31 December 2007 and 31 December 2008, respectively:-

	<b>For the financial year ended 31 December</b>	
	<b>2007</b>	<b>2008</b>
	<b>RMB</b>	<b>RMB</b>
Net profit before taxation	758,343,412.76	147,449,207.48
Net profit after taxation	503,940,966.20	100,374,917.26

## **DISCLOSURE IN PROSPECTUS**

According to the prospectus of the Company dated 29 June 2007, it was disclosed that subject to regulatory approval, Fosun Industrial Investment had agreed to acquire an additional 10% equity interest in Tebon Securities from Shanghai Shenxin. On 28 October 2006, Fosun Industrial Investment and Shanghai Shenxin entered into an equity transfer agreement and Shanghai Shenxin agreed to sell 10% equity interest in Tebon Securities to Fosun Industrial Investment for a consideration of RMB100,800,000 (equivalent to approximately HK\$114,320,710.42).

As of the date of this announcement, Fosun Industrial Investment has not yet obtained the regulatory approval from the relevant PRC authorities and Fosun Industrial Investment has decided to dispose of its entire direct equity interest in Tebon Securities as contemplated under the Share Transfer Agreement, Fosun Industrial Investment entered into a termination agreement dated 27 February 2009 with Shanghai Shenxin, pursuant to which, the proposed transfer of 10% equity interest in Tebon Securities has been duly terminated with immediate effect without any consideration and/or compensation. The transaction contemplated under the above termination agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules or a connected transaction under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable

enquiry, Shanghai Shenxin 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.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

The proceeds from the transaction under the Share Transfer Agreement in the amount of RMB243,040,933.75 (equivalent to approximately HK\$275,640,994.13) will be applied towards general working capital of the Group.

Fosun Industrial Investment acquired its 19.7405% equity interest in Tebon Securities by way of contribution to its registered capital upon its establishment in May 2003 for the amount of RMB199,000,000 (equivalent to approximately HK\$225,692,672.36).

The gain from the transaction under the Share Transfer Agreement is currently estimated to be RMB1,459,205.88 (equivalent to approximately HK\$1,654,935.05) which is the difference between the consideration and the carrying amount of equity interest in Tebon Securities under the management account of the Group as at 31 December 2008 after taking into account of the proposed dividend of RMB430,000,0000 (equivalent to approximately HK\$487,677,633.74) to be distributed by Tebon Securities to its shareholders, out of which, Fosun Industrial Investment will be entitled to RMB84,882,000 (equivalent to approximately HK\$96,267,564.90).

Upon completion of the transaction under the Share Transfer Agreement, the Group will no longer hold any direct equity interest in Tebon Securities, and accordingly, Tebon Securities will cease to be an associate of the Group. Yuyuan, an associate of the Group, remains holding an equity interest of 32.7293% in Tebon Securities.

## **REASONS FOR AND BENEFITS OF THE SHARE TRANSFER AGREEMENT**

Despite the fact that Tebon Securities made a profit for each of the financial year ended 31 December 2007 and 2008, respectively, after taking into account of the general operational status and profit prospect of the securities companies in the PRC, which rely substantially on the performance of the stock market in the PRC, the Directors are of the view that the performance of the stock market in the PRC is uncertain in the recent future and consider that it is in the interests of the Company to enter into the transactions contemplated under the Share Transfer Agreement to generate cash inflow.

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**

Xingye Investment is an Associate of Mr. Guo Guangchang, a director of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. The transaction under the Share Transfer Agreement hence constitutes a connected transaction for the Company under Chapter 14A 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 Share Transfer Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under Rule 14A.48(2) of the Listing Rules.

The Company confirms that there is no other transaction entered into between any member of the Group and Xingye Investment 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 and 14A.25 of the Listing Rules.

## **GENERAL**

### **The Company**

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.

### **Xingye Investment**

Xingye Investment is principally engaged in investment holding.

### **Shanghai Shenxin**

Shanghai Shenxin is principally engaged in investment holding.

## **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
“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
“Fosun Industrial Investment”	Shanghai Fosun Industrial Investment Co., Ltd. (上海復星產業投資有限公司), a limited liability company incorporated under the laws of the PRC and a wholly owned indirect subsidiary of the Company
“Fosun Technology”	Shanghai Fosun High and New Technology Development Co., Ltd. (上海復星高新技術發展有限公司), a limited liability company incorporated under the laws of the PRC and owned as to 58%, 22%, 10% and 10% by Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin and Mr. Fan Wei, respectively, all of whom are directors of the Company
“Group”	the Company and its subsidiaries
“Guangxin Technology”	Shanghai Guangxin Science & Technology Development Co., Ltd. (上海廣信科技發展有限公司), a limited liability company incorporated under the laws of the PRC and owned as to 58%, 22%, 10% and 10% by Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin and Mr. Fan Wei, respectively, all of whom are directors of the Company
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shanghai Shenxin”	Shanghai Shenxin (Group) Company Limited (上海申新 (集團) 有限公司), a limited liability company incorporated under the laws of the PRC
“Shareholders”	the shareholders of the Company
“Share Transfer Agreement”	a share transfer agreement dated 27 February 2009 and entered into between Fosun Industrial Investment and Xingye Investment, pursuant to which, Fosun Industrial Investment has agreed to sell to Xingye Investment its 19.7405% equity interest in Tebon Securities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tebon Securities”	Tebon Securities Co., Ltd. (德邦證券有限責任公司), a limited liability company incorporated under the laws of the PRC
“Xingye Investment”	Shanghai Xingye Investment Development Co., Ltd. (上海興業投資發展有限公司), a limited liability company incorporated under the laws of the PRC and owned as to 90% and 10% by Guangxin Technology and Fosun Technology, respectively
“Yuyuan”	Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司), a limited liability company incorporated under the laws of the PRC and accounted for as an associate of the Group under its audited account for the year ended 31 December 2007

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.*