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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 Directors are pleased to announce that on 20 June 2008, Fosun Pharma, a subsidiary of the Company of which the Company holds 49.03% equity interest, entered into a Share Transfer Agreement with Sinopharm Group, an Associate of a connected person of the Company, for the sale and purchase of 1.96% equity interest in Sinopharm Holding for a consideration of RMB43,000,000.

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

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SHARE TRANSFER AGREEMENT

Date

20 June 2008

Parties

Vendor: Fosun Pharma

Purchaser: Sinopharm Group

Interest to be transferred by Fosun Pharma:	1.96% equity interest in Sinopharm Holding
Consideration:	RMB43,000,000
Payment Schedule:	Sinopharm Group will pay Fosun Pharma a consideration of RMB43,000,000 within 3 business days of the effective date of the Share Transfer Agreement.
Condition:	the Share Transfer Agreement is conditional upon (i) approval by shareholders of Sinopharm Holding in respect of the share transfer; and (ii) approval by the relevant regulatory authority in respect of the share transfer

Consideration

The consideration payable by Sinopharm Group was arrived at after arm's length negotiations between Fosun Pharma and Sinopharm Group taking into consideration valuations from independent valuer assessing the net asset value of Sinopharm Holding as at 30 September 2007 based on the assets based approach, which was valued at RMB1,994,037,900.

The net profits before and after taxation and extraordinary items attributable to 1.96% equity interest in Sinopharm Holding for the year ended 31 December 2006 was RMB7,424,968.92 and RMB4,241,151.31 respectively. The net profits before and after taxation and extraordinary items attributable to 1.96% equity interest in Sinopharm Holding for the year ended 31 December 2007 was RMB16,251,627.48 and RMB10,552,265.76 respectively.

The book value of total assets attributable to 1.96% equity interest in Sinopharm Holding as at 31 December 2007 was RMB273,128,267.46.

The book value of net asset of Sinopharm Holding as at 31 December 2007 is RMB2,721,392,960.36.

The gain from the sale of 1.96% equity interest in Sinopharm Holding expected to accrue to Fosun Pharma is approximately RMB9,760,000. The gain is calculated by deducting accumulated interests in Sinopharm Holdings from the consideration.

The above figures are prepared in accordance with the PRC Generally Accepted Accounting Principles.

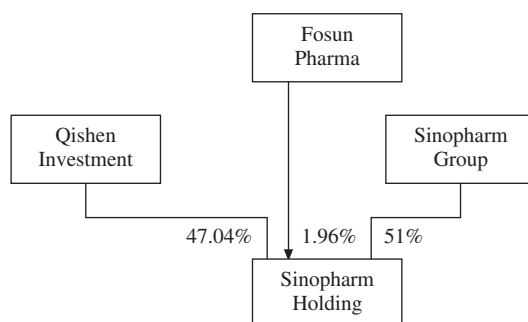
The proceeds will be used for the general working capital of Fosun Pharma.

CAPITAL INJECTION AGREEMENT

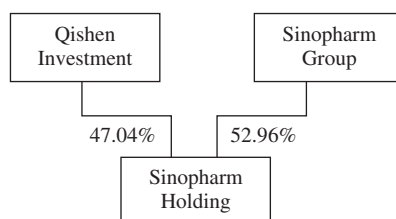
The Directors are further pleased to announce that on 20 June 2008, Qishen Investment, a wholly owned subsidiary of Fosun Pharma, and Sinopharm Group entered into a Capital Injection Agreement for investment in Sinopharm Investment. Sinopharm Group will transfer 48.96% equity interest in Sinopharm Holding to Sinopharm Investment and inject capital of RMB5,300,000 (RMB10,000,000 of the registered capital of Sinopharm Investment was injected by Sinopharm Group prior to the entering into of the Capital Injection Agreement). Upon completion of the contribution by Sinopharm Group, Qishen Investment will transfer its 47.04% equity interest holding in Sinopharm Holding to Sinopharm Investment and inject capital of RMB14,700,000. Upon completion of the above, Qishen Investment will hold 49% equity interest and Sinopharm Group will hold 51% equity interest in Sinopharm Investment. Sinopharm Holding will be owned as to 96% equity interest by Sinopharm Investment and 4% equity interest by Sinopharm Group.

The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction and is exempt from reporting, announcement and independent shareholders' approval requirement under the Listing Rules. The Directors made this disclosure on a voluntary basis to update to shareholders of the Group's latest development.

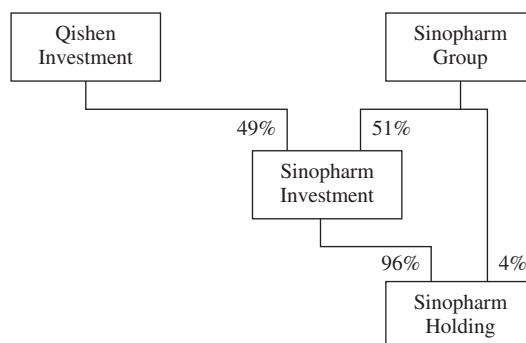
Before the Agreements



After the Share Transfer Agreement and Before the Capital Injection Agreement



After the Agreements



REASONS FOR ENTERING INTO THE AGREEMENTS

The transactions contemplated under the Agreements will optimize the shareholding structure of Sinopharm Holding and facilitate (i) the consolidation of Sinopharm Holding's leading position in the PRC pharmaceuticals distribution market and (ii) the continuous development of Sinopharm Holding.

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

INFORMATION ON SINOPHARM GROUP

Sinopharm Group was established in the PRC on 26 November 1998, an enterprise directly under the State-owned Assets Supervision and Administration Commission of the State Council. The principal business of Sinopharm Group is management of its pharmaceutical enterprises and wholesaling of pharmaceutical products.

INFORMATION ON SINOPHARM HOLDING

Sinopharm Holding is a domestic company established in the PRC on 8 January 2003. The principal business of Sinopharm Holding is pharmaceutical distribution, retailing and logistics.

Sinopharm Holding was owned as to 47.04% equity interest by Qishen Investment, 1.96% equity interest by Fosun Pharma and 51% equity interest by Sinopharm Group as at the date of this announcement.

INFORMATION ON SINOPHARM INVESTMENT

Sinopharm Investment is a domestic company established in the PRC on 6 May 2008 and is a wholly owned subsidiary of Sinopharm Group. The principal business of Sinopharm Investment will be corporate investment, pharmaceutical business management, asset investment and the provision of pharmaceutical consultancy services. The registered share capital of Sinopharm Investment is RMB10 million.

INFORMATION ON QISHEN INVESTMENT

Qishen Investment was established in the PRC on 24 April 2007. It is a wholly owned subsidiary of Fosun Pharma. The principal business of Qishen Investment is investment holding.

INFORMATION ON FOSUN PHARMA

Fosun Pharma was established on 13 July 1998. Fosun Pharma is subsidiary of the Company of which the Company holds 49.03% equity interest. The principal activities of Fosun Pharma are manufacturing, research and development, wholesaling and retailing of pharmaceutical products.

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 holding approximately 56.98% equity interest. Sinopharm Holding is an Associate of Fosun Pharma on the basis that it is an Associate of Qishen Investment. Sinopharm Group is an Associate of Fosun Pharma on the basis that it is a holding company of Sinopharm Holding. The transaction contemplated under the Share Transfer Agreement constitutes a connected transaction under the Listing Rules.

IMPLICATION OF THE LISTING RULES

Given that one or more of the percentage ratios exceed 0.1% but less than 2.5%, the transaction contemplated under the Share Transfer 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; (vi) financial services and strategic investments, which operate through Shanghai Fosun High Technology (Group) Co. Ltd., a wholly owned subsidiary of the Company.

DEFINITION

“Agreements”	the Share Transfer Agreement and the Capital Injection Agreement
“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 on 20 June 2008 between Qishen Investment and Sinopharm Group in relation to investment in Sinopharm Investment
“Company”	復星國際有限公司 (Fosun International Limited)
“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
“Share Transfer Agreement”	the agreement dated 20 June 2008 between Fosun Pharma and Sinopharm Group for the sale and purchase of 1.96% equity interest in Sinopharm Holding
“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 Holding”	國葯控股有限公司 (Sinopharm Medicine Holding Company Limited) 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

By order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 20 June 2008

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.