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## DISCLOSEABLE TRANSACTION

### FORMATION OF JOINT VENTURE AND LAUNCHING OF TENDER OFFER IN FRANCE

On 12 September 2014, Fosun, Fidelidade, the Top Managers, ACF II, Utour-JD Investors, among others, entered into an Investment Agreement, pursuant to which the parties decided to join forces to acquire Club Med, through the launching of a voluntary tender offer for all the Target Shares and OCEANEs (the “**Tender Offer**”). Fosun, the Top Managers, ACF II and Utour-JD Investors, will form a joint venture named Holding Gaillon II, which will launch the Tender Offer through its wholly owned subsidiary Gaillon Invest II, whereas Fidelidade will directly participate in the Tender Offer as a co-offeror with Gaillon Invest II. On the same date, a draft tender offer document (*projet de note d’information*) has been filed with AMF, the regulator of French financial markets, pursuant to relevant French tender offer rules.

#### *The Joint Venture*

For the purpose of making the Tender Offer, Fosun, the Top Managers, ACF II and Utour-JD Investors have agreed to invest together in Holding Gaillon II by contributing their respective Target Shares and OCEANEs (where applicable) and by contributing cash to subscribe for various securities to be issued by Holding Gaillon II before the relevant closing date of the Tender Offer. Holding Gaillon II will further contribute such Target Shares, OCEANEs and cash to Gaillon Invest II.

Pursuant to the terms of the Investment Agreement, ACF II has entered into an agreement to sell 2,982,352 Target Shares to Fosun as of 12 September 2014. As a result, upon completion of the Tender Offer, assuming that 100% of Target Shares and OCEANEs are

tendered in the Tender Offer and there are no Leveraged Financing Facilities (as defined below), Fosun will contribute 6,566,880 Target Shares including 1,851 Target Shares held by Mr. Guo Guangchang and cash up to an amount of approximately €471 million in Holding Gaillon II (including its share of transaction costs).

### ***The Tender Offer***

Gaillon Invest II and Fidelidade, as co-offerors, have filed a draft tender offer document (*projet de note d'information*) ("**Draft Tender Offer Document**") with AMF on 12 September 2014, pursuant to which they offered €22 per share for the outstanding Target Shares and €23.23 per OCEANE for all the outstanding OCEANES.

Between Gaillon Invest II and Fidelidade, Gaillon Invest II has the priority right to purchase more than 50% of the share capital and voting rights of Club Med and all the OCEANES tendered to the Tender Offer, on top of which Fidelidade is committed to purchase Target Shares for a consideration of no more than €168,000,000, representing no more than 20% of the share capital and voting rights of Club Med.

In addition, Gaillon Invest II has received, on 11 September 2014, a commitment letter from three French banks in relation to the provision of various facilities to Gaillon Invest II and Club Med upon completion of the Tender Offer, for an amount of up to €230,000,000 ("Leveraged Financing Facilities"). The relevant financing documents, however, will be executed after the filing of the Draft Tender Offer Document.

If 100% of the share capital and voting rights of Club Med (including all OCEANES) are tendered following the completion of the Tender Offer, Fosun, through Holding Gaillon II and Gaillon Invest II, will hold approximately 72.9% (assuming that there are no Leveraged Financing Facilities) or 70% (assuming that there are Leveraged Financing Facilities) of the issued share capital and voting rights of Club Med; Fidelidade will hold approximately 20% of the issued share capital and voting rights of Club Med.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the formation of the Joint Venture (including the Group's total capital commitment to fund the Tender Offer) exceed 5% but all such percentage ratios are less than 25%, the formation of the Joint Venture and the subsequent launching of the Tender Offer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

## **BACKGROUND**

On 12 September 2014, the Company, Fosun Luxembourg, Fosun Property and Fosun Industrial (collectively referred to as "**Fosun**"), Fidelidade, the Top Managers, ACF II, Utour-JD Investors, among others, entered into an Investment Agreement, pursuant to which the parties decided to join forces to permit Holding Gaillon II (through Gaillon Invest II) and Fidelidade to acquire Club Med, through the launching of a voluntary tender offer for all the Target Shares and OCEANEs.

Holding Gaillon II and its wholly owned subsidiary, Gaillon Invest II, were incorporated on 9 September 2014 by Fosun Luxembourg.

For the purpose of making the Tender Offer, Fosun, the Top Managers, ACF II and Utour-JD Investors have agreed to invest together in Holding Gaillon II, by contributing their respective Target Shares and OCEANEs (where applicable) and by contributing cash to subscribe for various securities to be issued by Holding Gaillon II before the relevant closing date of the Tender Offer. Holding Gaillon II will further contribute such Target Shares, OCEANEs and cash to Gaillon Invest II. Gaillon Invest II and Fidelidade, as co-offerors, jointly launch the Tender Offer by filing the Draft Tender Offer Document with AMF, with the Tender Offer being conditional upon the co-offerors acquiring more than 50% of the share capital and voting rights of Club Med.

The total consideration to be contributed to Holding Gaillon II by Fosun includes (i) the contribution in-kind of 6,566,880 Target Shares including 1,851 Target Shares held by Mr. Guo Guangchang as described below; and (ii) approximately €471 million, being the maximum amount to be contributed by Fosun depending on the number of Target Shares and OCEANEs acquired by Gaillon Invest II under the Tender Offer.

Fidelidade, which is 80% owned by Fosun, will act as a financial investor and, pursuant to the Investment Agreement, only seeks to invest no more than 20% of the share capital and voting rights of Club Med (for an amount of approximately €168 million based on the Target Share Offer Price) and does not seek any management control.

As at the date of this announcement, Mr. Guo Guangchang, Chairman of the Company, directly owns 1,851 Target Shares. Pursuant to a separate letter agreement entered into with other parties to the Investment Agreement (other than Fosun), Mr. Guo Guangchang has undertaken to comply with certain obligations under the Investment Agreement and to contribute or otherwise transfer 1,851 Target Shares to Holding Gaillon II through Fosun

Luxembourg for a value per Target Share equal to the Target Share Offer Price. If such 1,851 Target Shares are contributed or transferred to Holding Gaillon II through Fosun Luxembourg, the acquisition of the Target Shares held by Mr. Guo Guangchang by Fosun Luxembourg shall constitute a connected transaction of the Company under the Chapter 14A of the Listing Rules. However, as all of the applicable percentage ratios in relation to the acquisition of the Target Shares held by Mr. Guo Guangchang are less than 0.1%, thus it is exempt from reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

## **DETAILS OF INVESTMENT AGREEMENT IN RESPECT OF JOINT VENTURE AND TENDER OFFER**

Date 12 September 2014

Parties

- 1) Fosun;
- 2) Fidelidade;
- 3) Utour-JD Investors;
- 4) ACF II;
- 5) the Top Managers;
- 6) Holding Gaillon II; and
- 7) Gaillon Invest II.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than Fosun, Fidelidade, Holding Gaillon II and Gaillon Invest II, parties to the Investment Agreement, and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Consideration The total consideration to be contributed to Holding Gaillon II by Fosun shall include:

- (i) the contribution in-kind of all the 6,566,880 Target Shares, including 1,851 Target Shares held by Mr. Guo Guangchang, for a value per Target Share equal to the Target Shares Offer Price and a value per OCEANE equal

to the OCEANEs Offer Price. Based on the Target Share Offer Price of €22 per Target Share and OCEANEs Offer Price of €23.23 per OCEANE, the total value of the Target Shares and OCEANEs held by Fosun amounts to approximately €144.5 million; and

- (ii) €471 million, being the maximum amount of cash to be contributed depending on the number of Target Shares and OCEANEs acquired by Gaillon Invest II (assuming there are no Leveraged Financing Facilities, and including Fosun's share of transaction costs).

The consideration has been arrived at after arm's length negotiations among the parties to the Investment Agreement. The Board has taken into consideration, among other things, the total amount required to conduct the Tender Offer on the basis that all shareholders of Club Med, other than Fosun and the Top Managers, have tendered their Target Shares and OCEANEs to the Tender Offer.

The audited net profits (both before and after taxation) attributable to equity holders of Club Med for the two fiscal years immediately preceding the Tender Offer are as follows:

	For the year ended 31 October	
	2013 (audited) <i>approximately</i> € million	2012 (audited) <i>approximately</i> € million
Net profit before tax	3	14
Net profit/(loss) after tax	(9)	2

The audited total assets and net assets of Club Med were approximately €1,216 million and €472 million as at 31 October 2013, respectively. The unaudited net assets of Club Med was approximately €495 million as at 30 April 2014.

Principles of Funding  
and Equity  
Contributions

- (i) The number of Target Shares and OCEANEs to be acquired by Gaillon Invest II and Fidelidade in the Tender Offer would be allocated as follows: Gaillon Invest II will first acquire a number of Target Shares allowing it to hold more than 50% share capital and voting rights of Club Med, and all the OCEANEs tendered to the Tender Offer; on top of that, Fidelidade is committed to purchase a maximum number of Target Shares representing no more than 20% of share capital and voting rights of Club Med, with the remaining Target Shares to be purchased by Gaillon Invest II.
- (ii) There will be Leveraged Financing Facilities to be provided by banks to Gaillon Invest II, with a commitment letter having been delivered to Gaillon Invest II by three French banks on 11 September 2014, to the effect that the banks would provide an amount up to €230,000,000 as acquisition financing to Gaillon Invest II.
- (iii) With respect to the Tender Offer, the total and respective amounts of equity financing under (i) above and debt financing under (ii) above will depend upon the level of shareholding in Club Med and the number of OCEANEs held by Gaillon Invest II and Fidelidade respectively at the time of completion of the relevant stages of the Tender Offer.
- (iv) With respect to the equity financing of Holding Gaillon II, at the relevant closing date, each of the Top Managers, Utour-JD Investors and ACF II will first contribute in full its respective share of capital called by Holding Gaillon II up to its committed contribution amount, and Fosun will contribute necessary amount on top of such contributions, so that Gaillon Invest II can meet its obligations under the Tender Offer.

Payment and completion

- (i) Each of Fosun and the Top Managers shall execute contribution in-kind agreements to implement the contributions in-kind;

The contributions in-kind will be completed pursuant to the regime of in-kind capital increases provided by article L. 225-147 of the French *Code de commerce* on the Initial Closing Date (as defined below) with effect on the Initial Closing Date.

“Initial Closing Date” shall mean, as from the date of the publication by the AMF of the definitive results of the Tender Offer, the date of completion of the equity contributions of the Investors to Holding Gaillon II pursuant to the Investment Agreement required for financing, through Gaillon Invest II, the acquisition of the relevant Target Shares and OCEANEs on the first settlement and delivery of the Tender Offer, as to be determined by Holding Gaillon II and notified by Holding Gaillon II to the Investors.

- (ii) Each of Fosun, ACF II, the Top Managers and Utour-JD Investors shall make their respective cash contributions on the Initial Closing Date as well as on any Subsequent Closing Date determined and notified by Holding Gaillon II in accordance with the terms of the Investment Agreement.

“Subsequent Closing Date” shall mean the date of completion of the equity contributions of the Investors to Holding Gaillon II pursuant to the Investment Agreement required for the financing of the acquisition, through Gaillon Invest II of the relevant Target Shares and OCEANEs tendered to the reopened offer or pursuant to the squeeze-out, as determined by Gaillon Holding II and notified by Gaillon Holding II to the Investors

- (iii) Fidelidade will directly purchase, in cash, relevant amount of Target Shares on or around the Initial Closing Date and any Subsequent Closing Date.

Upon completion of the Transaction, assuming that 100% of the Target Shares and OCEANEs are tendered to the Tender Offer, each of Holding Gaillon II (through Gaillon Invest II) and Fidelidade would hold 80% and 20% of the shares and voting rights of Club Med respectively.

Where Holding Gaillon II (through Gaillon Invest II) holds 80% of the shares and voting rights of Club Med, assuming that there are no Leveraged Financing Facilities, Fosun, the Management, ACF II and Utour-JD Investors would respectively invest in the form of equity capital and/or shareholders loan (through subscription to ordinary shares, preferred shares, and/or shareholders loans, as the case may be) an amount of approximately: (i) €612 million for Fosun, (ii) €10 million for the Management, (iii) €20 million for ACF II, and (iv) €30 million for Utour-JD Investors. As a result thereof, Fosun, the Management, ACF II, and Utour-JD Investors would respectively own approximately 91%, 1.5%, 3% and 4.5% of the share capital and voting rights of Holding Gaillon II. On the other hand, assuming there are Leveraged Financing Facilities, Fosun, the Management, ACF II and Utour-JD Investors would respectively invest in Holding Gaillon II an amount of approximately: (i) €382 million for Fosun, (ii) €10 million for the Management, (iii) €20 million for ACF II, and (iv) €30 million for Utour-JD Investors. As a result thereof, Fosun, the Management, ACF II, and Utour-JD Investors would respectively own approximately 86%, 2%, 5% and 7% of the share capital and voting rights of Holding Gaillon II.

Conditions Precedent      Fosun's obligation to complete the Transaction is conditional on the completion of the Tender Offer, which in turn is conditional upon Gaillon Invest II and Fidelidade acquiring more than 50% of the share capital and voting rights of Club Med on a diluted basis following the initial round of the Tender Offer.



- Other terms
- 1) The parties agreed that certain managers identified by the Top Managers and approved by Fosun will be offered the opportunity to participate in the equity financing of the proposed transaction under the terms and conditions of a management equity plan (“**MEP**”). The total amount to be contributed under MEP is €10 million.
  - 2) The relevant parties investing in Holding Gaillon II undertake to execute on the closing date of the Tender Offer a shareholders' agreement in respect of Holding Gaillon II.
  - 3) Up to and including the closing date of the Tender Offer, Holding Gaillon II and Gaillon Invest II will be managed by their respective presidents who have been designated by Fosun.
  - 4) It is intended that the shares of Club Med remain listed on Euronext Paris.

## **REASONS FOR THE TRANSACTION**

The project of tender offer is made while Club Med has to enter a new phase of its development which requires a stabilized shareholding in order to be free from short-term constraints. Fosun has decided to involve the managers of Club Med in order to implement a strategy in line with the difficult environment of tourism market in Europe, in particular in France.

In this context, an acceleration of the development strategy in the emerging countries as well as the strengthening of the market shares in mature markets are necessary. This development would be achieved mainly through organic growth with the opening of new villages and the consolidation of commercial actions on these markets. This project would offer immediate liquidity to all of the shareholders of Club Med, valuing the upmarket repositioning of the Club Med group.

The Directors are of the view that the terms of the Investment Agreement in respect of the Transaction are on normal commercial terms and are fair and reasonable and in the interests of its shareholders as a whole.

## **GENERAL INFORMATION OF THE PARTIES**

### **Fosun**

Fosun Property, Fosun Industrial and Fosun Luxembourg are wholly-owned subsidiaries of the Company. Their principal activities are investment holding. The principal businesses of the Company include insurance, industrial operations, investment and asset management.

### **Fidelidade**

Founded in 1808, Fidelidade is the leading life and non-life insurance company in Portugal. As the leader in the insurance industry of Portugal, it combines the leading positions across products in both life and non-life sectors, and owns a diversified and unique distribution platform and a highly recognizable portfolio of brands, being present abroad in Macau, Angola, Mozambique, Cape Verde, Spain, France and Luxembourg. On 15 May 2014, the Group acquired 80% equity interest in Fidelidade.

### **Utour-JD Investors**

JD Moon River S.à r.l., an investment holding company organized under the laws of Luxembourg, is a wholly-owned subsidiary of JD Alps Limited. The shareholders of JD Alps Limited include Hong Kong Utour International Travel Service Co., Limited (“**HK Utour**”), Jiuding China Growth Fund, L.P. and Jiuding China Growth Fund II, L.P. The parent of HK Utour is one of the largest outbound travel agencies in China, and provides comprehensive travel services that cover Europe, Australia, New Zealand, Africa, the Middle East, the America, Asia, China and International Cruises. It is one of Club Med’s main retailers in China.

### **ACF II**

ACF II S.à r.l. is a company organized under the laws of Luxembourg, and is principally engaged in investment holding. It is managed by Ardian. Ardian is a world leader in private equity, with assets of US\$47 billion managed or advised in Europe, North America and Asia. The company offers its investors a wide choice of funds covering the full range of asset classes: Funds of Funds (primary, early secondary and secondary), Direct Funds including Infrastructure, Small and Mid-Market Enterprise Capital, Innovation & Growth, Co-Investment and Private Debt.

### **Holding Gaillon II**

Holding Gaillon II is a subsidiary of the Group . It is principally engaged in investment holding.

## **Gaillon Invest II**

Gaillon Invest II is a wholly-owned subsidiary of Holding Gaillon II. It is a holding company incorporated for the purpose of the Tender Offer and principally engaged in investment holding.

## **INFORMATION OF CLUB MED**

Club Med is a company organized under the laws of France and the shares of which are listed on the Paris stock exchange (Euronext Paris). It is principally engaged in the development and management of leisure resorts worldwide. As of the date of this announcement, Fosun holds 9.98% of the issued share capital and 16.94% of the voting rights of Club Med, and has already entered into a share purchase agreement to acquire an additional 8.3% of the issued share capital of Club Med.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the formation of the Joint Venture (including the Group's total capital commitment) exceed 5% but all such percentage ratios are less than 25%, the formation of the Joint Venture and the subsequent launching of the Tender Offer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“AMF”	<i>Autorité des marchés financiers</i>
“ACF II”	a company organized under the laws of Luxembourg
“Board”	the board of Directors of the Company
“Club Med”	Club Méditerranée, a company incorporated under the laws of France
“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 Hong Kong Stock Exchange

“Directors”	the directors of the Company
“Euro” or “€”	Euro, the official currency of the eurozone
“Fidelidade”	Fidelidade-Companhia de Seguros, S.A., a company incorporated under the laws of Portugal, a non wholly-owned subsidiary of the Company
“Fosun Industrial”	Fosun Industrial Holdings Limited, a company incorporate under the laws of Hong Kong, and a wholly owned subsidiary of the Company
“Fosun Luxembourg”	Fosun Luxembourg Holdings S.à r.l., a company organized under the laws of Luxembourg, and a wholly owned subsidiary of Fosun Industrial
“Fosun Property”	Fosun Property Holdings Limited, a company incorporated under the laws of Hong Kong, which currently holds 3,582,677 Target Shares, and a wholly-owned subsidiary of the Company
“Gaillon Invest II”	Gaillon Invest II, a company organized under the laws of France, and a wholly-owned subsidiary of Holding Gaillon II
“Group”	the Company and its subsidiaries
“Holding Gaillon II”	Holding Gaillon II, a company organized under the laws of France, and a subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Investment Agreement”	investment agreement entered into by Fosun, Fidelidade, the Top Managers, ACF II, Utour-JD Investors, among others, in relation to the Transaction and the Tender Offer
“Investors”	Fosun, Fidelidade, the Top Managers, ACF II and Utour-JD Investors
“Joint Venture”	the joint venture formed by Fosun, the Top Managers, ACF II and Utour-JD Investors upon the terms of the Investment Agreement for making of the Tender Offer through Holding Gaillon II
“Listing Rules”	the Rules Governing the Listing of Securities on the

	Hong Kong Stock Exchange
“Management”	the Top Manager and the managers who participate in the management equity plan mentioned in the paragraph “Other terms 1)” above
“OCEANEs”	bonds issued by Club Med convertible and/or exchangeable into new or existing shares of Club Med
“OCEANEs Offer Price”	the offer price for each OCEANE under the Tender Offer, i.e. €23.23
“PRC”	the People’s Republic of China
“Target Shares”	the shares of Club Med
“Target Share Offer Price”	the offer price for each Target Shares under the Tender Offer, i.e. €22
“Top Managers”	Mr. Henri Giscard d’Estaing and Mr. Michel Wolfovski
“Transaction”	subscription by Fosun, the Top Managers, ACF II and Utour-JD Investors for the securities to be issued by Holding Gaillon II by contributing all their Target Shares and OCEANEs and by contributing cash upon the terms and conditions of the Investment Agreement
“Utour-JD Investors”	JD Moon River S. à.r.l., an investment holding company organized under the laws of Luxembourg, is a wholly-owned subsidiary of JD Alps Limited. The shareholders of JD Alps Limited include Hong Kong Utour International Travel Service Co., Limited (“ <b>HK Utour</b> ”), Jiuding China Growth Fund, L.P. and Jiuding China Growth Fund II, L.P.

By Order of the Board  
**Fosun International Limited**  
**GuoGuangchang**  
*Chairman*

Shanghai, the PRC, 12 September 2014

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetao and Mr. Wu Ping; the non-executive director is Mr. Fan Wei; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang.*