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FOSUN 复星
復星國際有限公司
FOSUN INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF
H SHARES OF TSINGTAO BREWERY COMPANY LIMITED**

DISPOSAL OF FOSUN INDUSTRIAL

On 29 April 2021, Fosun Industrial entered into the Fosun Industrial Placing Agreement with the Agent, pursuant to which the Agent shall procure the purchasers to purchase 24,000,000 H Shares held by Fosun Industrial, failing which, the Agent shall purchase the H Shares held by Fosun Industrial subject to the terms and conditions set forth in the Fosun Industrial Placing Agreement.

The 24,000,000 H Shares held by Fosun Industrial represents 3.66% of the total issued H Shares and 1.76% of the total issued Target Company Shares. Pursuant to the Fosun Industrial Placing Agreement and the pricing notice given by the Agent, the price per H Share under the Disposal of Fosun Industrial is HKD70.88 and the total consideration of the Disposal of Fosun Industrial is approximately HKD1,701 million.

DISPOSAL

On 29 April 2021, each a Seller separately entered into a Placing Agreement with the Agent, pursuant to which the Agent shall procure the purchasers to purchase the H Shares held by each a Seller, failing which, the Agent shall purchase the H Shares held by each of the Sellers subject to the terms and conditions set forth in the respective Placing Agreement.

The 33,000,000 H Shares held by the Sellers represents 5.04% of the total issued H Shares and 2.42% of the total issued Target Company Shares. Pursuant to the Placing Agreements and the pricing notices given by the Agent, the price per H Share under the Disposal is HKD70.88 and the total consideration of the Disposal is approximately HKD2,339 million.

As at the date of this announcement, the Group and China Momentum Fund, L.P. (being a fund managed by the Group as general partner) held an aggregate of 144,206,236 H Shares, representing 22.01% of the total issued H Shares and 10.57% of the total Target Company Shares. Immediately upon completion of the Disposal, the Group and China Momentum Fund, L.P. will in aggregate hold 111,206,236 H Shares, representing 16.98% of the total issued H Shares and 8.15% of the total issued Target Company Shares (assuming that there will be no change in the total issued H Shares and the total issued Target Company Shares from the date of this announcement to the date of completion of the Disposal).

LISTING RULES IMPLICATIONS

As three out of the five Sellers (namely Peak Reinsurance Company Limited, Fidelidade - Companhia de Seguros, S.A. and Star Insurance Company) are insurance companies, pursuant to Rule 14.04 of the Listing Rules, the sale of H Shares held by such insurance companies under the Aggregate Disposals is considered as a transaction of revenue nature and carried out in the ordinary and usual course of business of such insurance companies, therefore the sale of H Shares by such insurance companies under the Aggregate Disposals does not constitute a transaction under Chapter 14 of the Listing Rules.

As China Momentum Investment (BVI) Limited, being one of the Sellers, is not a subsidiary of the Company, therefore the sale of H Shares by China Momentum Investment (BVI) Limited under the Aggregate Disposals does not constitute a transaction under Chapter 14 of the Listing Rules.

As the Disposal of Fosun Industrial were conducted within 12 months of the completion of the Previous Disposal of Fosun Industrial, therefore the Disposal of Fosun Industrial and the Previous Disposal of Fosun Industrial were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Aggregate Disposals of Fosun Industrial exceed 5% but less than 25%, the Aggregate Disposals of Fosun Industrial constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules. None of the applicable percentage ratios in relation to the Disposal of Fosun Industrial and the Previous Disposal of Fosun Industrial (each on a standalone basis) exceeds 5%.

INTRODUCTION

DISPOSAL OF FOSUN INDUSTRIAL

On 29 April 2021, Fosun Industrial entered into the Fosun Industrial Placing Agreement with the Agent, pursuant to which the Agent shall procure the purchasers to purchase 24,000,000 H Shares held by Fosun Industrial, failing which, the Agent shall purchase the H Shares held by Fosun Industrial subject to the terms and conditions set forth in the Fosun Industrial Placing Agreement.

The 24,000,000 H Shares held by Fosun Industrial represents 3.66% of the total issued H Shares and 1.76% of the total issued Target Company Shares. Pursuant to the Fosun Industrial Placing Agreement and the pricing notice given by the Agent, the price per H Share under the Disposal of Fosun Industrial is HKD70.88 and the total consideration of the Disposal of Fosun Industrial is approximately HKD1,701 million.

DISPOSAL

On 29 April 2021, each a Seller separately entered into a Placing Agreement with the Agent, pursuant to which the Agent shall procure the purchasers to purchase the H Shares held by each a Seller, failing which, the Agent shall purchase the H Shares held by each of the Sellers subject to the terms and conditions set forth in the respective Placing Agreement.

The 33,000,000 H Shares held by the Sellers, being the aggregate number of H Shares to be disposed by the Sellers under the Placing Agreements, represents 5.04% of the total issued H Shares and 2.42% of the total issued Target Company Shares. Pursuant to the Placing Agreements and the pricing notices given by the Agent, the price per H Share under the Disposal is HKD70.88 and the total consideration of the Disposal is approximately HKD2,339 million.

As at the date of this announcement, the Group and China Momentum Fund, L.P. (being a fund managed by the Group as general partner) held an aggregate of 144,206,236 H Shares, representing 22.01% of the total issued H Shares and 10.57% of the total Target Company Shares. Immediately upon completion of the Disposal, the Group and China Momentum Fund, L.P. will in aggregate hold 111,206,236 H Shares, representing 16.98% of the total issued H Shares and 8.15% of the total issued Target Company Shares (assuming that there will be no change in the total issued H Shares and the Target Company Shares from the date of this announcement to the date of completion of the Disposal).

FOSUN INDUSTRIAL PLACING AGREEMENT

Date: 29 April 2021

Parties: **Seller:** Fosun Industrial Holdings Limited (“**Fosun Industrial**”), a wholly-owned subsidiary of the Company

Agent: Citigroup Global Markets Limited (“**Citigroup**”)

To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquires, the Agent and its ultimate beneficial owners are third parties independent of the Company and connected persons (which has the meaning given by the Listing Rules) of the Company.

As at the date of this announcement, the Company is not aware of the identity of the purchaser(s) of the H Shares held by Fosun Industrial under the Fosun Industrial Placing Agreement. It is intended that the H Shares held by Fosun Industrial shall be disposed to purchaser(s) who and whose ultimate beneficial owners are third party(ies) independent of the Company and connected persons (which has the meaning given by the Listing Rules) of the Company.

H Shares under the Disposal of Fosun Industrial Pursuant to the Fosun Industrial Placing Agreement, the Agent shall procure purchasers or itself to purchase 24,000,000 H Shares held by Fosun Industrial, representing 3.66% of the total issued H Shares and 1.76% of the total issued Target Company Shares.

Consideration and Payment Terms Pursuant to the Fosun Industrial Placing Agreement and the pricing notice given by the Agent, the price per H Share under the Disposal of Fosun Industrial is HKD70.88. The total consideration of the Disposal of Fosun Industrial is approximately HKD1,701 million and will be fully paid by the

Agent in cash to Fosun Industrial at the completion of the Disposal of Fosun Industrial.

The price per H Share in the Disposal of Fosun Industrial of at HKD70.88 represents:

- (1) a discount of approximately 3.83% as compared to the closing price of Tsingtao Brewery of HKD73.7 per H Share on 28 April 2021 (being the date of this announcement) as quoted on the Hong Kong Stock Exchange; and
- (2) a discount of approximately 4.32% as compared to the average closing price of Tsingtao Brewery of HKD74.08 per H Share for the five consecutive trading days immediately preceding 29 April 2021 (being the date of this announcement), as quoted on the Hong Kong Stock Exchange.

The consideration of the Disposal of Fosun Industrial was determined through arm's length negotiations with reference to, among others: (i) the value of the assets and business of the Target Company; (ii) the prevailing share price of the Target Company; and (iii) the factors set out in the section headed "Reasons for and Benefits of the Aggregate Disposals"

Commission of the Agent

The Agent will not charge any commission in respect of the Disposal of Fosun Industrial.

Lock Up Period

During the period ending 60 days after the date of the Fosun Industrial Placing Agreement, save for (i) the H Shares being sold under the Disposal, and (ii) the Target Company Shares held by the Fosun Industrial which are to be charged to the financial institutions with existing lending relations with the Fosun Industrial within the last six months as security for a bona fide loan on normal commercial terms, neither Fosun Industrial nor any of its affiliates will, or will cause any other person to, voluntarily offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, directly or

indirectly, any Target Company Shares or depositary receipts representing the Target Company Shares or any other securities which are substantially similar to Target Company Shares or any securities convertible into, exchangeable for or representing the right to receive any of the foregoing securities or enter into any options or derivatives, cash settled or otherwise, or other transactions relating to the foregoing or having similar economic effect. Fosun Industrial undertakes to the Agent it shall immediately notify the Agent in writing in the event it receives indications whether verbal or written, from any lender that the lender is seeking to enforce the charge or security over any Target Company Shares.

Closing

The completion of the Disposal of Fosun Industrial will take place at 9:00 am (Hong Kong time) on the third Hong Kong Stock Exchange trading day following the date which the Agent delivers the pricing notice (being no later than 11:00 p.m. (Hong Kong time) on the date of the Fosun Industrial Placing Agreement).

Conditions Precedent

The obligations of the Agent under the Fosun Industrial Placing Agreement are subject to the following conditions being satisfied (or waived by the Agent):

- (i) The number of H Shares to be disposed by Fosun Industrial under the Fosun Industrial Placing Agreement shall be 24,000,000; and
- (ii) Other customary conditions, including but not limited to the representations and warranties of Fosun Industrial under the Fosun Industrial Placing Agreement being accurate, there being no material adverse change involving Tsingtao Brewery and its subsidiaries and no force majeure.

PREVIOUS DISPOSAL

During the period from 31 August 2020 to 11 December 2020, the Sellers have disposed an aggregate of 67,502,000 H Shares through a series of on-market transactions, representing 10.30% of the total issued H Shares and 4.95% of the total issued Target Company Shares. The total consideration of the Previous Disposal was approximately HKD4,822 million.

PREVIOUS DISPOSAL OF FOSUN INDUSTRIAL

Fosun Industrial entered into (i) a placing agreement with Merrill Lynch (Asia Pacific) Limited on 31 August 2020, pursuant to which 26,060,000 H Shares held by Fosun Industrial was disposed at HKD68.10 per H Share and the total consideration was approximately HKD1,775 million and (ii) a placing agreement with Goldman Sachs (Asia) L.L.C. on 11 December 2020, pursuant to which 22,506,000 H Shares held by Fosun Industrial was disposed at HKD75.33 per H Share and the total consideration was approximately HKD1,695 million.

Accordingly, during the period from 31 August 2020 to 11 December 2020, Fosun Industrial disposed an aggregate of 48,566,000 H Shares, representing 7.41% of the total issued H Shares and 3.56% of the total issued Target Company Shares. The total consideration of the Previous Disposal of Fosun Industrial was HKD3,470 million.

FINANCIAL IMPLICATIONS OF THE AGGREGATE DISPOSALS

Upon completion of the Aggregate Disposals, Tsingtao Brewery shall remain as an associate of the Company. Based on the total consideration of approximately HKD2,339 million and HKD4,822 million for the Disposal and the Previous Disposal, respectively and the Group's book value of Tsingtao Brewery, it is presently expected that, an unaudited before tax gain of approximately HKD624 million will be recognized by the Group from the Disposal and an unaudited before tax gain of approximately HKD1,334 million was recognized by the Group from the Previous Disposal. The shareholders of the Company should note that the aforementioned figures are for illustrative purposes only and the actual after tax gain recognized from the Disposal is subject to the review by the auditors of the Company of the consolidated financial statements of the Group.

The Group intends to use the proceeds from the Aggregate Disposals for the Group's general fund purposes.

REASONS FOR AND BENEFITS OF THE AGGREGATE DISPOSALS

With roots in China, the Company is dedicated to creating customer-to-maker (C2M) ecosystems in health, happiness, wealth and intelligent manufacturing sectors that support the lifestyle and upgrade the consumption of modern consumers in the PRC. The Aggregate Disposals constitute normal withdrawal of investment arrangements of the Company. The Company believes that the Aggregate Disposals reflect the Group's continuous commitment and focus on creating maximum value for its shareholders, and providing opportunities to the companies operated and invested by the Group to grasp strategic transactions, thus improving the overall competitiveness of the Group and its invested companies and contributing to the Group's long-term success layout.

The Directors (including the independent non-executive Directors) are of the view that the Aggregate Disposals are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As three out of the five Sellers (namely Peak Reinsurance Company Limited, Fidelidade - Companhia de Seguros, S.A. and Star Insurance Company) are insurance companies, pursuant to Rule 14.04 of the Listing Rules, the sale of H Shares held by such insurance companies under the Aggregate Disposals is considered as a transaction of revenue nature and carried out in the ordinary and usual course of business of such insurance companies, therefore the sale of H Shares by such insurance companies under the Aggregate Disposals does not constitute a transaction under Chapter 14 of the Listing Rules.

As China Momentum Investment (BVI) Limited, being one of the Sellers, is not a subsidiary of the Company, therefore the sale of H Shares by China Momentum Investment (BVI) Limited under the Aggregate Disposals does not constitute a transaction under Chapter 14 of the Listing Rules.

As the Disposal of Fosun Industrial were conducted within 12 months of the completion of the Previous Disposal of Fosun Industrial, therefore the Disposal of Fosun Industrial and the Previous Disposal of Fosun Industrial were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Aggregate Disposals of Fosun Industrial exceed 5% but less than 25%, the Aggregate Disposals of Fosun Industrial constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules. None of the applicable percentage ratios in relation to the Disposal of Fosun Industrial and the Previous Disposal of Fosun Industrial (each on a standalone basis) exceeds 5%.

GENERAL INFORMATION

Company

The Company is an innovation-driven consumer group with mission to provide high-quality products and services for families around the world in health, happiness, wealth and intelligent manufacturing segments.

Seller

Fosun Industrial, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, which is principally engaged in investment holding.

Peak Reinsurance Company Limited, a company incorporated in Hong Kong and an 86.51% owned subsidiary of the Company, which is principally engaged in property and casualty reinsurance as well as life and health reinsurance businesses.

Fidelidade - Companhia de Seguros, S.A., a company incorporated under the laws of Portugal and an 84.9892% owned subsidiary of the Company, which is duly authorized to carry out the life and non-life insurance activity.

Star Insurance Company, a company incorporated in the state of Michigan and an indirectly wholly-owned subsidiary of the Company, which is a commercial property and casualty insurance company.

China Momentum Investment (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of China Momentum Fund, L.P. (a non-consolidated fund managed by the Group as a general partner), is principally engaged in investment holding.

Agent

Agents of the Previous Disposal of Fosun Industrial

Merrill Lynch (Asia Pacific) Limited, is a subsidiary of Bank of America and a company incorporated and registered under the laws of Hong Kong. It is a licensed corporation under the Securities and Futures Ordinance of Hong Kong for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the Securities and Futures Ordinance of Hong Kong.

Goldman Sachs (Asia) L.L.C., is an indirect subsidiary of The Goldman Sachs Group Inc. (listed on the New York Stock Exchange with stock code: GS) and a company incorporated and registered under the laws of Delaware of America. Goldman Sachs (Asia) L.L.C. and its affiliate are financial institutions providing services including consulting, underwriting, funding and financing, commission investment, sales and transactions, research and investment management activities, cooperation with a range of clients and counterparties, such as companies, governments, institutions and individuals.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C and their ultimate beneficial owners are third parties independent of the Company and connected persons (which has the meaning given by Listing Rules) of the Company.

Agent of the Disposal of Fosun Industrial

Citigroup Global Markets Limited, is an indirect wholly-owned subsidiary of Citigroup, Inc. (listed on the New York Stock Exchange with stock code: C), and a company registered under the laws of United Kingdom. It is a brokerdealer registered with the United Kingdom's Prudential Regulation Authority (PRA) and is regulated principally by the U.K. Financial Conduct Authority (FCA).

Target Company

Tsingtao Brewery Company Limited was established in the PRC. Its H Shares are listed on the Main Board of the Hong Kong Stock Exchange with stock code 00168 and its A shares are listed on the Shanghai Stock Exchange with stock code 600600. The Target Company and its subsidiaries are principally engaged in the production and distribution of beer products.

The consolidated net profits (both before and after taxation) attributable to the equity holders of the Target Company for the two fiscal years immediately preceding the Disposal (in accordance with the China Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December	
	2020	2019
	(audited)	(audited)
	approximately	approximately
	RMB million	RMB million
Net profit before tax	3,239.55	2,726.91
Net profit after tax	2,326.97	1,929.12

The audited consolidated total assets and net assets of the Target Company were approximately RMB41,514.19 million and RMB21,368.05 million, respectively, as at 31 December 2020.

DEFINITIONS

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

“Agent”	Citigroup Global Markets Limited, pursuant to the Placing Agreements, the Agent designated by each Seller
“Aggregate Disposals”	the Disposal and the Previous Disposal
“Aggregate Disposals of Fosun Industrial”	the Disposal of Fosun Industrial and the Previous Disposal of Fosun Industrial
“A Share(s)”	the domestic ordinary share(s) of nominal value RMB1.00 each in the share capital of the Target Company, which are listed on the Shanghai Stock Exchange and traded in RMB
“Board”	the board of the 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 Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of an aggregate of 33,000,000 H Shares held by the Sellers pursuant to the Placing Agreements
“Disposal of Fosun Industrial”	the disposal of 24,000,000 H Shares held by Fosun Industrial pursuant to the Fosun Industrial Placing Agreement
“Fosun Industrial Placing Agreement”	the placing agreement entered into between the Agent and Fosun Industrial dated 29 April 2021 in respect of the Disposal of Fosun Industrial
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the official currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) of nominal value RMB1.00 each in the share capital of the Target Company, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Placing Agreements” and each a “Placing Agreement”	the placing agreements entered into between the Agent and each of the Sellers dated 29 April 2021 in respect of the Disposal
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Disposal”	the disposal of an aggregate of 67,502,000 H Shares held by the Sellers during the period from 31 August 2020 to 11 December 2020 through a series of on-market transactions (including the Previous Disposal of Fosun Industrial)
“Previous Disposal of Fosun Industrial”	the disposal of an aggregate of 48,566,000 H Shares held by Fosun Industrial during the period from 31 August 2020 to 11 December 2020 through a series of on-market transactions
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers” and each a “Seller ”	Fosun Industrial, Peak Reinsurance Company Limited, Fidelidade - Companhia de Seguros, S.A., Star Insurance Company and China Momentum Investment (BVI) Limited
“Target Company” or “Tsingtao Brewery”	Tsingtao Brewery Company Limited, a company established under the PRC laws, whose H Shares are listed on the Hong Kong Stock Exchange with stock code 00168, and whose A Shares are listed on the Shanghai Stock Exchange with stock code 600600

“Target Company Share(s)” the share(s) in the ordinary share capital of the Target Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)

“%” per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

29 April 2021

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao and Mr. Gong Ping; the non-executive directors are Ms. Chen Shucui, Mr. Zhuang Yuemin and Mr. Yu Qingfei; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.