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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)

(1) INSIDE INFORMATION
AND
(2) RESUMPTION OF TRADING

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces that on 14 October 2022, Shagang Group, as the Purchaser, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology, each being a subsidiary of the Company and as the Sellers, entered into the Framework Agreement, pursuant to which, it is intended that the Sellers will dispose of, and the Purchaser will acquire the Target Interests, representing 60% equity interests in the Target Company.

Assets Intended to be Disposed

Subject to the parties entering into the Formal Agreement, the Sellers intend to dispose of the Target Interests, representing 60% equity interests in the Target Company to the Purchaser or other designated related entities.

As at the date of this announcement, the Target Company is held as to 40% by Nanjing Iron & Steel Group, 30% by Fosun High Technology, 20% by Fosun Industrial Investment and 10% by Fosun Industrial Technology. Upon the completion of the Potential Disposal, it is intended that the Target Company will be held as to 60% by the Purchaser and 40% by Nanjing Iron & Steel Group and the Sellers will cease to have any interest in the Target Company.

Intended Consideration

The intended consideration for the Potential Disposal shall be no more than RMB16 billion. The exact amount of the consideration for the Potential Disposal will be subject to further negotiation between the parties to the Framework Agreement based on the results of the due diligence investigations.

Refundable Earnest Money and Equity Pledges

The Purchaser is required to pay the Total Earnest Money in the amount of RMB8 billion in the following manner:

- (a) The First Earnest Money in the amount of RMB4 billion shall be payable by the Purchaser to an entity designated by the Sellers on the completion date of the registration of the First Equity Pledge; and
- (b) The Second Earnest Money in the amount of RMB4 billion shall be payable by the Purchaser to an entity designated by the Sellers on the next Business Day after the completion date of the registration of the First Equity Pledge.

If the Formal Agreement has been entered into between the parties, the Total Earnest Money shall form part of the consideration payable by the Purchaser for the Potential Disposal.

If the Purchaser does not discover any significant misstatement of asset or other major risks after its due diligence process but nonetheless refuses to sign the Formal Agreement or fails to cooperate with the Sellers in handling relevant formalities of effecting the Potential Disposal after signing the Formal Agreement, the Sellers shall return the full amount of the Total Earnest Money and pay an interest on the Total Earnest Money at an annual interest rate of 2% to the Purchaser within 100 days from the receipt of written notice from the Purchaser for the return of the Total Earnest Money. In the event that the Potential Disposal cannot be completed due to any other reasons, the Sellers shall return the full amount of the Total Earnest Money and pay an interest on the Total Earnest Money at an annual interest rate of 8% to the Purchaser within 30 days from the receipt of the written notice from the Purchaser for the return of the Total Earnest Money.

The Sellers shall:

- (a) Execute the First Equity Pledge over the 49% equity interests in the Target Company held by the Sellers and complete the relevant pledge registration procedures within 2 Business Days after the date of the Framework Agreement; and
- (b) Endeavour to execute the Second Equity Pledge over the 11% equity interests in the Target Company held by the Sellers and complete the relevant pledge registration procedures within 10 Business Days after receiving the full payment of the Total Earnest Money.

The Equity Pledges shall be released (i) at the completion of the Potential Disposal or (ii) within 7 Business Days after the Purchaser receive the repayment of the full amount of the Total Earnest Money and the payment of the related interests from the Sellers.

Due Diligence Review and Formal Agreement

The Purchaser shall complete the due diligence review of the Target Company and its subsidiaries and negotiate with the Sellers to execute the Formal Agreement within 40 days from the date which the Purchaser pays the Total Earnest Money in full, failure of which, the parties can extend such period for no more than 15 days. If the Formal Agreement is not reached in such extended period, each party may notify the other party to terminate the Framework Agreement.

The Directors (including the independent non-executive Directors) are of the view that the provision of the Equity Pledges as security for the full refund of the Total Earnest Money by the Sellers, as well as other terms under the Framework Agreement, including the receipt of the Total Earnest Money by the Sellers from the Purchaser, are on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL INFORMATION

Company

The Company is a global 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 business segments.

Fosun High Technology

Fosun High Technology is a limited liability company established in the PRC. As at the date of this announcement it is a wholly-owned subsidiary of the Company and is the main operating platform of the Group in the PRC.

Fosun Industrial Investment

Fosun Industrial Investment is a limited liability company established in the PRC. As at the date of this announcement it is a wholly-owned subsidiary of Fosun High Technology and the Company. It is principally engaged in investment holding.

Fosun Industrial Technology

Fosun Industrial Technology is a limited liability company established in the PRC. As at the date of this announcement it is a wholly-owned subsidiary of Fosun Industrial Investment and the Company. It is principally engaged in investment holding.

Purchaser

Shagang Group is one of the largest private enterprises in the PRC and is principally engaged in steel manufacturing and sales. In 2021, Shagang Group ranked fourth in the world steel ranking. As at the end of June 2022, the total assets of Shagang Group exceeded RMB230 billion. As at the date of this announcement, Shagang Group is owned as to (i) approximately 29.32% by Shen Wenrong* (沈文榮), (ii) approximately 29.10% by Zhangjiagang Free Trade Zone Xinghengde Trading Co., Ltd.* (張家港保稅區興恆得貿易有限公司) and (iii) as to approximately 41.58% by 32 other shareholders, amongst which, no individual entity owned over 18% equity interest in Shagang Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners, is a third party independent of the Company and connected persons of the Company.

Target Company

The Target Company is a limited liability company established in the PRC. The Target Company is a joint venture of the Company, held as to 40% by Nanjing Iron & Steel Group, 30% by Fosun High Technology, 20% by Fosun Industrial Investment and 10% by Fosun Industrial Technology.

The Target Company is principally engaged in investment holding and it directly and indirectly holds 59.11% equity interest in Nanjing Iron & Steel Co., Ltd.* (南京鋼鐵股份有限公司), a company established in the PRC and listed on the Shanghai Stock Exchange with Stock Code 600282, which is principally engaged in manufacturing and selling iron and steel 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 date of the Framework Agreement (in accordance with the China Accounting Standards for Business Enterprises) are as follows:

	For the year ended	
	31 December 2021	31 December 2020
	approximately	approximately
	RMB million	RMB million
	(audited)	(audited)
Net profit before tax	5,708.86	4,821.21
Net profit after tax	4,695.62	3,927.27

The unaudited consolidated total assets, net assets and net assets attributable to owners of the parent of the Target Company were approximately RMB78,110.14 million, RMB36,030.90 million and RMB19,855.64 million as of 30 June 2022, respectively.

LISTING RULES IMPLICATIONS

The Potential Disposal contemplated under the Formal Agreement, if materialize, will constitute a major transaction of the Company under the Listing Rules. The Company will make further announcement(s) and comply with other relevant provisions of the Listing Rules if the Formal Agreement is entered into.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company was halted with effect from 9:00 a.m. on Monday, 17 October 2022. Application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the shares with effect from 9.00 a.m. on Thursday, 20 October 2022.

WARNING: *There is no assurance that the Potential Disposal will materialize or eventually be consummated. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt as*

to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

DEFINITIONS

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

“Board”	the board of the Directors of the Company
“Business Days”	a day on which banks in China are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“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 with Stock Code 00656.
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Pledges”	the First Equity Pledge and the Second Equity Pledge
“First Earnest Money”	the earnest money of RMB4 billion payable by the Purchaser to an entity designated by the Sellers no later than the completion date of the registration of the First Equity Pledge
“First Equity Pledge”	the pledge of the 49% equity interest in the Target Company held by the Sellers to the Purchaser
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Potential Disposal
“Fosun High Technology”	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司), a limited liability company established 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 established under the laws

	of the PRC and a wholly-owned subsidiary of Fosun High Technology
“Fosun Industrial Technology”	Shanghai Fosun Industrial Technology Development Co., Ltd.* (上海復星工業技術發展有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Fosun Industrial Investment
“Framework Agreement”	the investment framework agreement dated 14 October 2022 entered into between the Purchaser and the Sellers in respect of the Potential Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Nanjing Iron & Steel Group”	Nanjing Iron & Steel Group Co., Ltd.* (南京鋼鐵集團有限公司), a limited liability company established under the laws of the PRC
“Potential Disposal”	the potential disposal of the Target Interests held by the Sellers to the Purchaser pursuant to the Framework Agreement
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“Purchaser” or “Shagang Group”	Jiangsu Shagang Group Co., Ltd.* (江蘇沙鋼集團有限公司), a limited liability company established in the PRC and an independent third party of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Earnest Money”	the earnest money of RMB4 billion payable by the Purchaser to an entity designated by the Sellers no later than the next Business Day after the completion date of the registration of the First Equity Pledge

“Second Equity Pledge”	the pledge of the 11% equity interest in the Target Company held by the Sellers to the Purchaser
“Sellers” and each a “Seller”	Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology
“Shareholders”	the shareholders of the Company
“Target Company”	Nanjing Nangang Iron & Steel United Co., Ltd.* (南京南鋼鋼鐵聯合有限公司), a limited liability company established under the laws of the PRC
“Target Interests”	60% equity interest in the Target Company held by the Sellers proposed to be disposed to the Purchaser
“Total Earnest Money”	the First Earnest Money and the Second Earnest Money
“%”	per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

19 October 2022

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 Xuetang, Mr. Gong Ping and Mr. Huang Zhen; 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.

** For identification purposes only*