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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 DISPOSALS OF EQUITY INTERESTS IN
FOUR TARGET COMPANIES**

Financial Advisor

FOSUN HANI
复星恒利

DISPOSALS

On 5 January 2023 (after trading hours), the Company and Fosun Industrial Development (a wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchasers, pursuant to which Fosun Industrial Development has agreed to sell, and Camdragon Heavy Industry has agreed to purchase, 25.7033% equity interest in Tianjin Jianlong, 26.6667% equity interest in Jianlong Holdings and 26.6667% equity interest in Northern Jianlong; the Company has agreed to sell, and Camdragon Investment has agreed to purchase 26.6667% equity interest in Janeboat Holdings. The aggregate consideration for the Disposals was RMB6.7 billion. Upon completion of the Disposals, Fosun Industrial Development will no longer hold any equity interests in each of Tianjin Jianlong, Jianlong Holdings and Northern Jianlong; and the Company will no longer hold any equity interest in Janeboat Holdings.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04 (9) of the Listing Rules and confirmed by the Hong Kong Stock Exchange) in relation to the Disposals are more than 5% but all are less than 25%, the Disposals constitute a discloseable transaction of the

Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 5 January 2023 (after trading hours), the Company and Fosun Industrial Development (a wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchasers, pursuant to which Fosun Industrial Development has agreed to sell, and Camdragon Heavy Industry has agreed to purchase, 25.7033% equity interest in Tianjin Jianlong, 26.6667% equity interest in Jianlong Holdings and 26.6667% equity interest in Northern Jianlong; the Company has agreed to sell, and Camdragon Investment has agreed to purchase 26.6667% equity interest in Janeboat Holdings. The aggregate consideration for the Disposals was RMB6.7 billion. Upon completion of the Disposals, Fosun Industrial Development will no longer hold any equity interests in each of Tianjin Jianlong, Jianlong Holdings and Northern Jianlong; and the Company will no longer hold any equity interest in Janeboat Holdings.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

Date	5 January 2023 (after trading hours)
Parties	Seller 1: Fosun Industrial Development Seller 2: the Company Purchaser 1: Camdragon Heavy Industry Purchaser 2: Camdragon Investment

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, the Purchasers and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Disposals	Pursuant to the Equity Transfer Agreement, Fosun Industrial Development has agreed to sell, and Camdragon Heavy Industry has agreed to purchase, 25.7033% equity interest in Tianjin Jianlong, 26.6667% equity interest in
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Jianlong Holdings and 26.6667% equity interest in Northern Jianlong; the Company has agreed to sell, and Camdragon Investment has agreed to purchase 26.6667% equity interest in Janeboat Holdings.

Effectiveness The Equity Transfer Agreement shall become effective upon the signing and affixation of the official seal by the legal or authorized representatives of the parties to the Equity Transfer Agreement and the approval by the Shareholders.

Consideration and payment arrangement The total consideration for the Disposals is RMB6.7 billion, the payment arrangements and the equity transfers will be completed in two stages.

The consideration for the Disposals was arrived at after arm’s length negotiations and was determined with reference to (i) the current net asset value of the Target Companies; and (ii) the factors as set out in the section headed "Reasons for and benefits of the Disposals" below.

First stage of payment arrangement

Target Companies	Proportion of the equity transfer	Consideration for the equity transfer (RMB0’000)
Tianjin Jianlong	20.7133%	311,989
Janeboat Holdings	26.6667%	10
Northern Jianlong	26.6667%	2,667
Jianlong Holdings	26.6667%	5,334
Total		320,000

The Sellers will cooperate with the Purchasers to actively apply for merger and acquisition loans or other financing methods (the “**Financial Arrangement**”), and strive to complete the first stage of payment arrangement within 2 months, and in any event not more than 3 months after the signing and effective date of the Equity Transfer Agreement. The first stage of payment arrangement shall be completed in three batches as set out below:

First batch

Camdragon Heavy Industry shall pay RMB0.8 billion to Fosun Industrial Development as the deposit for the Disposals (the “**Deposit**”). Meanwhile, Fosun Industrial Development shall pledge 8% equity interest in Tianjin Jianlong held by it in favour of Camdragon Heavy Industry (the “**Tianjin Jianlong Pledge**”). Fosun Industrial Development guaranteed to Camdragon Heavy Industry that the 12.7133% equity interest in Tianjin Jianlong (being the remaining equity interest held by Fosun Industrial Development in Tianjin Jianlong under the First Stage Equity Transfers) will not be pledged, transferred or subject to any other transaction or arrangement. In addition, Fosun Industrial Development shall actively take remedial actions when it is aware that there may be pledging, transfer or other circumstances in relation to the above-mentioned equity interest which may affect the Disposals. Otherwise, Fosun Industrial Development shall take full responsibility, including but not limited to returning the Deposit, consideration and interest and paying a liquidated damages of RMB0.24 billion which is equivalent to 30% of the Deposit.

If the approval of the Financial Arrangement is obtained by Camdragon Heavy Industry or its related parties, the Deposit will be converted as part of the consideration for the equity transfer of Tianjin Jianlong.

If Camdragon Heavy Industry or its related parties fails to obtain approval for all or part of the Financial Arrangement within 3 months from the effective date of the Equity Transfer Agreement (the “**Financial Application Period**”), Camdragon Heavy Industry shall promptly notify Fosun Industrial Development and the Disposals shall terminate upon the receipt of such written notice by Fosun Industrial Development. Alternatively, upon the expiry of the Financial Application Period, if the Purchasers have not obtained approval for the Financial Arrangement or failed to pay the consideration under the first stage of payment arrangement to the Sellers, the Sellers are entitled to terminate the Disposals by giving written notice to the Purchasers. The Disposals shall terminate upon receipt of such written notice by the Purchasers. Within 10 working days from the receipt of the returned Deposit, Camdragon Heavy Industry shall cooperate in the procedures to release the Tianjin Jianlong Pledge.

Second batch

Upon the approval of the Financial Arrangement and/or the receipt of all or part of the aforesaid loan or financing under the Financial Arrangement in the accounts of Camdragon Heavy Industry and its related parties, Camdragon Heavy Industry and its related parties shall notify Fosun Industrial Development in writing within 1 working day (“**Financial Approval/Receipt Notification Date**”).

Within 10 working days after the Financial Approval / Receipt Notification Date:

- 1) the Purchasers shall pay the Sellers the remaining RMB0.4 billion in the first stage of payment arrangement as set out below:

Payor	Payee	Target Companies	Payment Amount (RMB0'000)
Camdragon Heavy Industry	Fosun Industrial Development	Tianjin Jianlong	31,989
		Jianlong Holdings	5,334
		Northern Jianlong	2,667
Camdragon Investment or its designated payor	the Company	Janeboat Holdings	10

- 2) the parties to the Equity Transfer Agreement shall complete the arrangements to effect the First Stage Equity Transfers of the Target Companies, including but not limited to (1) releasing the Tianjin Jianlong Pledge, (ii) submission of the closing documents in relation to the First Stage Equity Transfers to the local industry and commerce departments of the Target Companies, and (iii) submission and receipt of acceptance, if applicable, of the business registration/filing materials in relation to the amendment of the articles of association and the change of directors and supervisors to the local industry and commerce department of the Target Companies.

Upon completion of the First Stage Equity Transfers, Fosun Industrial Development will hold 4.99% equity interest in Tianjin Jianlong and the

Group will no longer hold any equity interests in Jianlong Holdings, Northern Jianlong and Janeboat Holdings.

Third batch

On the working day immediately after the completion of the second batch arrangement and after the receipt of the Financial Arrangement by Camdragon Heavy Industry or its related parties, Camdragon Heavy Industry shall pay Fosun Industrial Development the third batch consideration payment of RMB2 billion regarding the First Stage Equity Transfers.

Second stage of payment arrangement

The consideration for the remaining 4.99% equity interest held by Fosun Industrial Development in Tianjin Jianlong and the related rights is RMB3.5 billion, which shall be settled within 20 years. Such payment shall be paid by way of dividend and equity transfer according to the business operation of Tianjin Jianlong.

FINANCIAL IMPLICATIONS OF THE DISPOSALS

Upon completion of the Disposals, the Group will no longer hold any equity interests in each of the Target Companies. It is expected that, upon completion of the Disposals, the Group will recognize an unaudited realized disposal revenue of approximately RMB6.7 billion from the Disposals. The Shareholders should note the actual amount of after tax gain or loss (if any) to be recognized from the Disposals is to be determined by the Group and will be confirmed by the auditors of the Company after having reviewed the consolidated financial statements of the Group.

The Group intends to use the proceeds from the Disposals for the Group's general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is positioned as a global innovation-driven consumer group, with the mission of creating happier lives for families worldwide and serving one billion families around the world. The Company's strategy focuses on a happy ecosystem of health, happiness and wealth and supports the lifestyle and consumption upgrade of modern Chinese consumers.

The Disposals will enable the Group to focus more resources on key development strategies and key projects and contribute to the long-term success of the Group. It also demonstrates the Group's continuous efforts and focus on enhancing its overall competitiveness and creating maximum value for its Shareholders.

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04 (9) of the Listing Rules and confirmed by the Hong Kong Stock Exchange) in relation to the Disposals are more than 5% but all are less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

Sellers

The 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 Industrial Development

Fosun Industrial Development 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. It is principally engaged in investment holding.

Purchasers

Camdragon Heavy Industry

Camdragon Heavy Industry is a limited liability company established in the PRC. It is principally engaged in resource extraction and steel smelting. As at the date of this announcement, Camdragon Heavy Industry is owned as to 94% equity interest by Beijing Jianlong Investment Co., Ltd.* (北京建龍投資有限公司) (“**Beijing Jianlong**”) and 6% equity interest by Beijing Shanshui Yongming Investment Co., Ltd.* (北京山水永明投資有限公司). Beijing Jianlong is owned as to 75.1% equity interest by Mr Zhang Zhixiang* (張志祥) (“**Mr. Zhang**”). The remaining equity interest is held by two natural persons, among which, no individual holds more than 20% equity interest in Beijing Jianlong.

Camdragon Investment

Camdragon Investment is a limited liability company incorporated in the British Virgin Islands. It is principally engaged in investment holding. As at the date of this announcement, Camdragon Investment is owned as to 85.4% equity interest by Mr. Zhang. The remaining equity interest is held by two natural persons, among which, no individual holds more than 10% equity interest in Camdragon Investment.

Target Companies

Tianjin Jianlong

Tianjin Jianlong is a limited liability company established in the PRC in September 2010. It is principally engaged in the production and sales of steel business through its subsidiaries. As at the date of this announcement, Tianjin Jianlong is owned as to (i) 62.0811% equity interest by Camdragon Heavy Industry, (ii) 25.7033% equity interest by Fosun Industrial Development, and (iii) 12.2156% equity interest by Shanghai Junneng Industrial Co., Ltd.* (上海鈞能實業有限公司).

The net profits (before and after taxation) attributable to the equity holders of Tianjin Jianlong for the two financial years immediately preceding the Disposals (in accordance with the PRC Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>RMB million</i>	<i>RMB million</i>
	<i>(audited)</i>	<i>(audited)</i>
Net profit before tax	10,505.80	7,411.47
Net profit after tax	7,657.34	5,858.51

As at 30 June 2022, the unaudited total assets and net assets of Tianjin Jianlong were approximately RMB169,408.52 million and RMB58,458.40 million, respectively. The historical investment cost in Tianjin Jianlong of the Group is approximately RMB347.96 million.

Jianlong Holdings

Jianlong Holdings is a limited liability company established in the PRC in December 2003. It is principally engaged in investment holding. As at the date of this announcement, Jianlong Holdings is owned as to 73.3333% equity interest by Camdragon Heavy Industry and 26.6667% equity interest by Fosun Industrial Development.

The net profits (before and after taxation) attributable to the equity holders of Jianlong Holdings for the two financial years immediately preceding the Disposals (in accordance with the PRC Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>RMB million</i>	<i>RMB million</i>
	<i>(audited)</i>	<i>(audited)</i>
Net profit/(loss) before tax	(264.92)	(224.26)
Net profit/(loss) after tax	(264.92)	(224.26)

As at 30 June 2022, the unaudited total assets and net assets of Jianlong Holdings were approximately RMB21,553.04 million and RMB-1,086.94 million, respectively. The historical investment cost in Jianlong Holdings of the Group is approximately RMB53.34 million.

Northern Jianlong

Northern Jianlong is a limited liability company established in the PRC in June 2007. It is principally engaged in investment holding. As at the date of this announcement, Northern Jianlong

is owned as to 73.3333% equity interest by Camdragon Heavy Industry and 26.6667% equity interest by Fosun Industrial Development.

The net profits (before and after taxation) attributable to the equity holders of Northern Jianlong for the two financial years immediately preceding the Disposals (in accordance with the PRC Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>RMB million</i>	<i>RMB million</i>
	<i>(audited)</i>	<i>(audited)</i>
Net profit/(loss) before tax	(38.09)	18.12
Net profit/(loss) after tax	(24.65)	13.56

As at 30 June 2022, the unaudited total assets and net assets of Northern Jianlong were approximately RMB354.88 million and RMB132.88 million, respectively. The historical investment cost in Northern Jianlong of the Group is approximately RMB26.67 million.

Janeboat Holdings

Janeboat Holdings is a limited liability company incorporated in the British Virgin Islands in May 2002. It is principally engaged in investment holding. As at the date of this announcement, Janeboat Holdings is owned as to 73.3333% equity interest by Camdragon Investment and 26.6667% equity interest by the Company.

The net profits (before and after taxation) attributable to the equity holders of Janeboat Holdings for the two financial years immediately preceding the Disposals (in accordance with the International Financial Reporting Standards) are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>USD million</i>	<i>USD million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit/(loss) before tax	(0.002)	(1.975)
Net profit/(loss) after tax	(0.002)	(1.975)

As at 30 June 2022, the unaudited total assets and net assets of Janeboat Holdings were approximately USD67.15 million and USD67.15 million, respectively. The historical investment cost in Janeboat Holdings of the Group is approximately USD0.0133 million.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the directors of the Company
“Camdragon Heavy Industry”	Beijing Camdragon Heavy Industry Group Co., Ltd.* (北京建龍重工集團有限公司), a company established in the PRC with limited liability
“Camdragon Investment”	Camdragon Investment Co. Ltd., a company incorporated in the British Virgin Islands with limited liability
“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
“Disposals”	the disposals of 25.7033% equity interest in Tianjin Jianlong, 26.6667% equity interest in Jianlong Holdings, 26.6667% equity interest in Northern Jianlong and 26.6667% equity interest in Janeboat Holdings by the Sellers pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Sellers and the Purchasers on 5 January 2023 (after trading hours) for the transfer of equity interests and future arrangements in connection with the Disposals
“Financial Advisor”	Fosun International Capital Limited, a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) of the regulated activities as defined

	under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“First Stage Equity Transfers”	the disposals of 20.7133% equity interest in Tianjin Jianlong, 26.6667% equity interest in Jianlong Holdings, 26.6667% equity interest in Northern Jianlong and 26.6667% equity interest in Janeboat Holdings by the Sellers in accordance with the first stage of payment arrangement as set out in the Equity Transfer Agreement
“Fosun Industrial Development”	Shanghai Fosun Industry and Technology Development Co., Ltd.* (上海復星工業技術發展有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“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
“Janeboat Holdings”	Janeboat Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, which is held as to 73.3333% equity interest by Camdragon Investment and 26.6667% equity interest by the Company as at the date of this announcement
“Jianlong Holdings”	Jianlong Steel Holdings Co., Ltd.* (建龍鋼鐵控股有限公司), a company established in the PRC with limited liability, which is owned as to 73.3333% equity interest by Camdragon Heavy Industry and 26.6667% equity interest by Fosun Industrial Development as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Northern Jianlong”	Beijing Northern Jianlong Industrial Co., Ltd. * (北京北方建龍實業有限公司), a company established in the PRC with limited liability, which is owned as to 73.3333% equity interest by Camdragon Heavy Industry and 26.6667% equity interest by Fosun Industrial Development as at the date of this announcement

“PRC”	the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, Macau Special Administrative Region and Taiwan region
“Purchasers”	Camdragon Heavy Industry and Camdragon Investment
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers”	the Company and Fosun Industrial Development
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Target Companies”	Tianjin Jianlong, Jianlong Holdings, Northern Jianlong and Janeboat Holdings
“Tianjin Jianlong”	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.* (天津建龍鋼鐵實業有限公司), a company established in the PRC with limited liability, which is owned as to (i) 62.0811% equity interest by Camdragon Heavy Industry; (ii) 25.7033% equity interest by Fosun Industrial Development; and (iii) 12.2156% equity interest by Shanghai Junneng Industrial Co., Ltd.* (上海鈞能實業有限公司) as at the date of this announcement
“USD”	United States dollars, the lawful currency of the United States
“working day”	Monday to Friday, except public holidays in the PRC
“%”	per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

5 January 2023

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, Mr. Gong Ping and Mr. Huang Zhen; the non-executive directors are Mr. Zhuang Yuemin, Mr. Yu Qingfei and Mr. Li Shupe; 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 purpose only*