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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) MAJOR TRANSACTION**  
**DISPOSAL OF NANJING NANGANG**

**(2) DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF WANSHENG**

**THE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 19 October 2022. The Board announced that on 14 October 2022, Shagang Group as the purchaser, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the sellers, entered into the Framework Agreement, pursuant to which, it was intended that Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology will dispose of, and Shagang Group will acquire 60% equity interest in Nanjing Nangang.

**DISPOSAL OF NANJING NANGANG**

The Board announced that on 14 March 2023, Shagang Group and Shagang Investment as the Purchasers, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers, entered into the Equity Transfer Agreement, pursuant to which, (i) Fosun High Technology agreed to sell, and Shagang Group agreed to acquire 30% equity interest in the Target Company; (ii) Fosun Industrial Investment agreed to sell, and Shagang Investment agreed to acquire 20% equity interest in the Target Company; and (iii) Fosun Industrial Technology agreed to sell, and Shagang Investment agreed to acquire 10% equity interest in the Target Company, at a Disposal Consideration of RMB13.58 billion (subject to adjustment as set out in the Disposal Consideration Formula). Upon completion of the Disposal, the Target Company will be held as to 30% equity interest by Shagang

Group, 30% equity interest by Shagang Investment and 40% equity interest by Nanjing Iron & Steel Group and the Sellers will cease to have any equity interest in the Target Company.

### **ACQUISITION OF WANSHENG**

On 14 March 2023, Fosun High Technology entered into the Share Acquisition Agreement with Nanjing Iron & Steel, pursuant to which Fosun High Technology has agreed to acquire, and Nanjing Iron & Steel has agreed to sell 174,305,939 shares of Wansheng (representing approximately 29.5645% of the issued shares of Wansheng as at the date of this announcement) and all underlying rights of such shares, at the Acquisition Consideration of RMB2.65 billion, which will be payable by Fosun High Technology in cash.

### **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 Disposal are more than 25% but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 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 Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, and after having made all reasonable enquiries, no Shareholders or any of their respective associates (as defined under the Listing Rules) has any material interest in the Disposal contemplated under the Equity Transfer Agreement, thus no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Disposal contemplated under the Equity Transfer Agreement. The Company has obtained a written shareholder's approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 73.53% of the total issued shares of the Company as at the date of this announcement, in lieu of holding a general meeting to approve the Disposal contemplated under Equity Transfer Agreement, in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, which will include, among other things, further details in respect of the Equity Transfer Agreement, must be despatched to the

Shareholders within 15 business days (as defined under the Listing Rules) after the publication of this announcement. As additional time is required to prepare and finalize the information contained in the circular, the Company will apply to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of time for the despatch of the circular to the Shareholders.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 19 October 2022. The Board announced that on 14 October 2022, Shagang Group as the purchaser, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the sellers, entered into the Framework Agreement, pursuant to which, it was intended that Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology will dispose of, and Shagang Group will acquire 60% equity interest in Nanjing Nangang.

Pursuant to the Framework Agreement, within 2 Business Days after the date of the Framework Agreement, (i) Shagang Group has paid the Earnest Money of RMB8 billion to the the Sellers and (ii) the Sellers have pledged 49% equity interest in Nanjing Nangang to Shagang Group and completed such share pledge registration.

## **DISPOSAL OF NANJING NANGANG**

The Board announced that on 14 March 2023, Shagang Group and Shagang Investment as the Purchasers, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers, entered into the Equity Transfer Agreement, pursuant to which, (i) Fosun High Technology agreed to sell, and Shagang Group agreed to acquire 30% equity interest in the Target Company; (ii) Fosun Industrial Investment agreed to sell, and Shagang Investment agreed to acquire 20% equity interest in the Target Company; and (iii) Fosun Industrial Technology agreed to sell, and Shagang Investment agreed to acquire 10% equity interest in the Target Company, at a Disposal Consideration of RMB13.58 billion (subject to adjustment as set out in the Disposal Consideration Formula). Upon completion of the Disposal, the Target Company will be held as to 30% equity interest by Shagang Group, 30% equity interest by Shagang Investment and 40% equity interest by Nanjing Iron & Steel Group and the Sellers will cease to have any equity interest in the Target Company.

The principal terms of the Equity Transfer Agreement are set out below:

## **Date**

14 March 2023

## **Parties**

Sellers: (i) Fosun High Technology;  
(ii) Fosun Industrial Investment; and  
(iii) Fosun Industrial Technology.

Purchasers: (i) Shagang Group; and  
(ii) Shagang 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 Disposal**

Pursuant to the Equity Transfer Agreement, (i) Fosun High Technology agreed to sell, and Shagang Group agreed to acquire 30% equity interest in the Target Company; (ii) Fosun Industrial Investment agreed to sell, and Shagang Investment agreed to acquire 20% equity interest in the Target Company; and (iii) Fosun Industrial Technology agreed to sell, and Shagang Investment agreed to acquire 10% equity interest in the Target Company. The Sellers and the Purchasers agreed that the disposal of the Target Interest by each of the Sellers shall be inter-conditional and subject to the disposal of an aggregate of 60% equity interest in the Target Company by each of the Sellers to the respective Purchaser.

## **Disposal Consideration and Payment Arrangement**

The Disposal Consideration for the Disposal shall be RMB13.58 billion (subject to adjustment as set out in the Disposal Consideration Formula).

### ***Basis of the Disposal Consideration***

The Disposal Consideration was arrived at, through multi-party bids and after arm's length negotiations, which was determined with reference to the following factors: (i) upon the signing of the Framework Agreement, the Target Company has distributed a profit of RMB3 billion (the "**Pre-Agreement Profit Distribution**") to all of its shareholders on 31 December 2022,

among which RMB1.2 billion, RMB0.9 billion, RMB0.6 billion and RMB0.3 billion were distributed to Nanjing Iron & Steel Group, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology respectively, to offset the principal of the loan amounting to RMB3 billion acquired by Fosun High Technology and Nanjing Iron & Steel Group from the Target Company. After due consideration of the Pre-Agreement Profit Distribution and on the basis of the range of consideration as agreed in the Framework Agreement, the Purchasers and the Sellers have agreed on the Benchmark Transfer Price; (ii) the annual production capacity of Nanjing Iron & Steel, a subsidiary of the Target Company; (iii) the future development of the Target Company; (iv) the carrying amount of the Target Company; and (v) the factors as set out in the section headed “Reasons for and benefits of the Disposal and the Acquisition” below.

Pursuant to the Equity Transfer Agreement, the Disposal Consideration payable by each Purchaser to the respective Seller shall be calculated based on the formula as set out below (the “**Disposal Consideration Formula**”):

Disposal Consideration = Benchmark Transfer Price – Omission Notice Cost (as defined below) applicable to the Sellers x 110% (the “**Omission Notice Compensation Amount**”)

In respect of any Seller, omission refers to, during the period commencing from 00:01 a.m. on the day following the Reference Date and ending on the Closing, if there are certain new circumstances which result in (i) the Target Group having to pay the Sellers or its related parties (or their designated third parties); (ii) liabilities being incurred on the part of the Target Group for the benefit of the Sellers or their related parties; and/or (iii) the transfer of any asset or other interest of the Target Group to the Sellers or their related parties (or their designated third parties). Each Seller shall submit a written notice to the Purchasers no later than the fifth Business Day before the Closing Date, stating the aggregate amount of omission cost that have been accumulated in respect of such Seller (the “**Omission Notice Cost**”).

The Sellers and the Purchasers agreed that, if the Target Company increases its registered capital by way of capital reserve and/or undistributed profits of the Target Company with the prior written consent of the Purchasers and after performing the internal decision-making procedure of the Target Company in accordance with the applicable law before the Closing, the Purchasers shall still acquire all equity interest held by each Seller in the Target Company prior to the Closing and the Disposal Consideration receivable by each Seller shall remain unchanged.

### ***Payment Arrangement***

The Earnest Money paid by Shagang Group shall be converted into a prepayment (the “**Prepayment Amount**”) in respect of the Disposal upon the effective date of the Equity Transfer Agreement. On the Closing Date, the Prepayment Amount shall automatically convert into part of the Disposal Consideration, and details of the Prepayment Amount in respect of each Purchaser are set out in the table below. Besides, the Purchasers shall, on the Closing Date, pay the remaining balance, being the Closing Day Transfer Price as set out in the below table deducting the Omission Notice Compensation Amount relating to the respective Sellers (the “**Remaining Balance**”), to the applicable bank accounts of the Sellers.

<b>Seller</b>	<b>Purchaser</b>	<b>Proportion of Equity Interest in the Target Company</b>	<b>Benchmark Transfer Price (A) (RMB0'000)</b>	<b>Prepayment Amount paid by each Purchaser (B) (RMB0'000)</b>	<b>Closing Day Transfer Price (A-B) (RMB0'000)</b>
Fosun High Technology	Shagang Group	30%	679,000	400,000	279,000
Fosun Industrial Investment	Shagang Investment	20%	452,667	250,000	202,667
Fosun Industrial Technology	Shagang Investment	10%	226,333	150,000	76,333
<b>Total</b>		<b>60%</b>	<b>1,358,000</b>	<b>800,000</b>	<b>558,000</b>

### **Conditions Precedent**

#### ***Conditions precedent applicable to the Sellers and the Purchasers***

Both the Sellers and the Purchasers shall fulfill in whole or waive (in whole or in part) upon the written agreement between the Sellers and the Purchasers (subject to the compliance with the applicable law) certain customary conditions precedent regarding the valid execution and legality of the relevant transaction documents in respect of the Disposal as at the Closing Date and the non-existence of government restrictions.

#### ***Conditions precedent applicable to the Sellers***

In addition to the above conditions precedent, each of the Purchasers shall perform its obligations to the corresponding Seller on the Closing Date subject to the fulfilment or waiver of the following conditions:

- (i) all government authorizations required for the Sellers, the Purchasers or the Target Company to sign and deliver the transaction documents and complete the Disposal have been obtained or completed and remained valid in full, including but not limited to passing of the review of concentration filings (the “**Anti-Monopoly Review**”) by the State Administration for Market Regulation;
- (ii) in relation to the Disposal and any possible changes in the control of the Target Company resulting thereof, the Sellers have performed their notification obligations in accordance with the applicable law or any relevant agreements signed by the Target Group by providing relevant third parties with necessary notification, and delivered the proof of such written notification (including email format) and all relevant written replies/receipts to the Purchasers;
- (iii) no objection from the China Securities Regulatory Commission and its despatched offices and competent stock exchanges concerned (the “**Relevant Securities Regulatory Authorities**”) to the Disposal, which means within 10 Business Days after the fulfilment of the conditions precedent (save for this condition and condition (vii)), the Relevant Securities Regulatory Authorities have not expressly objected or have confirmed the approval of the Closing of the Disposal. If the Relevant Securities Regulatory Authorities have recommended adjustment proposals concerning the Disposal, the Sellers and the Purchasers shall make reasonable efforts to make the corresponding adjustments. If the Sellers and the Purchasers have cooperated to implement such adjustment proposals, it shall be deemed that the Relevant Securities Regulatory Authorities have confirmed the approval of the Closing;
- (iv) the shareholders and the board of directors of the Target Company have passed the following resolutions (if applicable), including the approval of the Disposal and the waiver or deemed waiver of the right of first-refusal of Nanjing Iron & Steel Group; the amendments to the articles of association of the Target Company; the update of register of members with the affixation of the company seal of the Target Company; the approval of certificate of contribution of the Purchasers with the affixation of the company seal of the Target Company and the resignation and appointment of relevant directors, supervisors and senior management;
- (v) Fosun Industrial Investment has released the equity pledge over 11% equity interest in the Target Company in favor of Nanjing Iron & Steel Group and duly repledged such equity to the Purchasers (unless the Purchasers have waived such repledge arrangement in favor of themselves in writing);

- (vi) the Sellers or their related party has acquired 29.5645% equity interest in Wansheng held by Nangang Iron & Steel at the Acquisition Consideration in accordance with the laws and regulatory requirements and approved by the relevant securities regulatory authorities and paid the Acquisition Consideration in full and completed the transfer registration procedures for the Acquisition;
- (vii) the Sellers have procured the Target Company to complete the registration procedures and filings with the competent administration for market regulation in respect of (a) the change in shareholding structure of the Target Company; (b) the change of the legal representative, directors, supervisors and general managers of the Target Company; and (c) the filing of the amendments to the articles of association of the Target Company and to deliver the notice of approval issued by the competent administration for market regulation and the amended original and scanned copy of business license of the Target Company to the Purchasers;
- (viii) the Sellers have submitted the confirmation letter in relation to the fulfilment of the conditions precedent to Closing in the format and with the content set out in the Equity Transfer Agreement, the updated register of members and certificate of contribution to the Purchasers; and
- (ix) other customary conditions precedent regarding the true and accuracy of the representations and warranties of the Sellers in relation to themselves and the Target Group, the Sellers' performance of undertakings and covenants under the Equity Transfer Agreement and the non-occurrence of events with material adverse effect.

Conditions (i) to (ix) above are waivable in full or in part at the discretion of any Purchasers in writing. Conditions waived by any of the Purchasers shall automatically convert into the post-Closing obligations of the Sellers in respect of the Disposal.

In respect of condition (vi) above, Fosun High Technology and Nanjing Iron & Steel have entered into the Share Acquisition Agreement on 14 March 2023. For further details, please refer to paragraph headed "Acquisition of Wansheng" below.

## **Closing**

Subject to the compliance with the terms and conditions of the Equity Transfer Agreement, within 5 Business Days (or such other time agreed in writing by the Purchasers and the Sellers) upon the fulfilment of all the conditions precedent (for the avoidance of doubt, the Sellers shall provide the relevant documents and material (if applicable) to the Purchasers proving the



satisfaction of the conditions precedent) or written waiver by the relevant party of the conditions precedent, the Purchasers shall pay the Disposal Consideration. For the avoidance of doubt, Closing shall take place when the Purchasers pay the Disposal Consideration to the Sellers pursuant to the Equity Transfer Agreement and the Closing Date is the day when Closing occurs. The Purchasers shall acquire all rights in the corresponding Target Interest from the Closing.

The Purchasers shall be jointly and severally responsible for the payment of the Disposal Consideration. In the event that the Sellers fail to provide a written notification letter containing information of the company seals, license and bank accounts of the Target Company to the Purchasers on the Business Day prior to Closing pursuant to the Equity Transfer Agreement, the Purchasers are entitled to delay the payment of the Disposal Consideration accordingly.

### **Other Undertakings**

The Sellers and the Purchasers agreed to be subject to certain undertakings, including but not limited to, the following undertakings:

- (i) the Purchasers shall file an Anti-Monopoly Review with the State Administration for Market Regulation within 1 month upon the signing of the Equity Transfer Agreement and notify the Sellers immediately upon the confirmation of the review result;
- (ii) the Purchasers shall provide a list of qualified personnel regarding the directors, supervisors and senior management of the Target Company to the Sellers within 5 Business Days upon receiving the notice from the Sellers;
- (iii) the Sellers and the Purchasers shall and shall procure the Target Company to cooperate with the Sellers or their related party to acquire the entire equity interest in Furui Microelectronics (Shanghai) Co., Ltd.\* (復睿微電子(上海)有限公司) held by the Target Company at a consideration which is equivalent to the original cost of capital contribution and complete the transfer registration in respect of such equity transfer within 6 months from the signing date of the Equity Transfer Agreement. The Sellers or their related party shall pay or indemnify the Target Company against any costs or fees incurred as a result of the above transfer;
- (iv) the Sellers and the Purchasers shall and shall procure the Target Company to cooperate with the Sellers or their related party to transfer 9% equity interest in Shanghai Fosun High Technology Group Finance Co., Ltd.\* (上海復星高科技集團財務有限公司) (“**Shanghai Fosun Finance**”) held by Nanjing Iron & Steel United Co., Ltd.\* (南京鋼鐵聯合有限公司) (“**Nanjing Iron & Steel United**”) at a consideration which is

equivalent to the net asset value as set out in the latest financial statement of Shanghai Fosun Finance (based on the monthly report) before the signing of the related transfer agreement and complete the transfer registration in respect of such equity transfer within 6 months from the signing date of the Equity Transfer Agreement. The Sellers or their related party shall pay or indemnify Nanjing Iron & Steel United against any costs or fees incurred by the Target Company and Nanjing Iron & Steel United as a result of the above transfer;

- (v) the Sellers shall send a notice in the form of email or registered mail or forms approved with the company seal by Nangang Iron & Steel Group in respect of the right of first-refusal to Nanjing Iron & Steel Group within 24 hours after the signing of the Equity Transfer Agreement and copy the Purchaser (applicable to email) or provide a scanned copy of the relevant proof in respect of the receipt of such notice by Nanjing Iron & Steel Group to the Purchasers within 1 Business Day from the delivery of such notice;
- (vi) after the Closing Date, the Sellers shall procure the resignation of the senior management, supervisors and directors of Nanjing Iron & Steel indirectly appointed by the Sellers from Nanjing Iron & Steel within 5 Business Days upon the receipt of prior written notice from the Purchasers;
- (vii) in respect of the private equity funds jointly operated by the Target Company through entities controlled by it and the related entities of the Sellers and the private equity funds directly or indirectly invested by the Target Company as limited partner and managed and operated by the related entities of the Sellers (the “**Related Funds**”), the Sellers agreed to enter into friendly negotiations with the Purchasers on the treatment proposal of the Related Funds within 6 months after the Closing Date;
- (viii) the Sellers shall and shall procure the Target Company to cooperate reasonably with the Purchasers to deliver the documents of the tender offer report to Nanjing Iron & Steel on the signing date of the Equity Transfer Agreement and after the Closing Date, and to cooperate reasonably with the Purchasers to make a general tender offer to Nanjing Iron & Steel;
- (ix) subject to the request of the Purchasers, the Seller shall procure Hainan Mining Co., Ltd. (海南礦業股份有限公司) (“**Hainan Mining**”), a company which is a subsidiary of the Company as at the date of this announcement and whose shares are listed and traded on the SEE with stock code 601969, to cooperate with the Target Company, Nanjing Iron & Steel, Anhui Jinan Mining Co., Ltd.\* (安徽金安礦業有限公司) and Nanjing Iron & Steel United to release their non-competition undertakings and confirmations in respect

of self-use iron ore products as set out in the initial public offering prospectus of Hainan Mining within 6 months after the Closing Date;

- (x) pursuant to the compliance requirement of the Asset Management Association of China (中國證券投資基金業協會), the Sellers and the Purchasers agreed to jointly procure the Target Company to, within 3 months upon the expiry of a 12-month period following the Closing Date, (a) sell the 11% property interest in Nanjing Nangang Xinqi Enterprise Management Partnership (Limited Partnership)\* (南京南鋼鑫啟企業管理合夥企業 (有限合夥)) (“**Nanjing Nangang Xinqi**”) held by the Target Company to the party designated by the Sellers (the “**Nanjing Nangang Xinqi Transfer**”) at a consideration with reference to the then actual investment costs of the Target Company in Nanjing Nangang Xinqi and the interests calculated based on the loan prime rate (LPR) for the same period announced by the National Interbank Funding Center; (b) change the general partner of Nanjing Nangang Xinqi to the related party of the Sellers; and (c) complete the transfer registration in respect of the Nanjing Nangang Xinqi Transfer with the competent administration for market regulation. In addition, the Sellers and the Purchasers shall jointly procure the Target Company to (a) change the appointed representative of managing partner of Wuxi Binhu Nangang Xingbo Venture Capital Partnership (Limited Partnership)\* (無錫濱湖南鋼星博創業投資合夥企業 (有限合夥)) (“**Wuxi Nangang**”) to the party nominated by the Sellers; and (b) adjust the composition of the 5 members in the investment decision committee of Wuxi Nangang appointed by Nanjing Nangang Xinqi so that the Sellers shall appoint 3 members and the Target Company shall appoint 2 members in such committee. For the avoidance of doubt, the proportion of the right to proceeds of the Target Company in Nanjing Nangang Xinqi (i.e. being 60%) shall not affect by the Nanjing Nangang Xinqi Transfer, where the adjustment of the right to proceeds of the Target Company shall be negotiated by the Sellers and the Purchasers separately. The Purchasers also acknowledged and confirmed that the management team of Wuxi Nangang will continue to enjoy the corresponding incentive in Nanjing Nangang Xinqi pursuant to the then effective incentive policy of the Sellers;
- (xi) the Sellers individually and severally undertake to the Purchasers that (a) unless with the consent of the Purchasers, the Sellers will not make any resolutions to initiate liquidation, dissolution, cancellation or disposal of all or majority of assets (except in the circumstances where the Sellers appoint a related party with capability not inferior to that of such Seller) within 5 years after the Closing; and (b) the Sellers will ensure they have sufficient ability to perform the indemnity provisions under the Equity Transfer Agreement (if required); and

- (xii) Shagang Group intends to provide a loan of RMB1 billion to Fosun Industrial Investment.

### **Transition Period**

For the purpose of the Disposal, the transition period commences from the signing date of the Equity Transfer Agreement and ends on the Closing Date. The Target Company and the core companies of the Target Group shall operate its business in the normal course of business and in a manner consistent with the prior practice and the prudent industry practice.

### **Termination**

In the event of the following circumstances, the Sellers and the Purchasers are entitled to terminate the Equity Transfer Agreement before Closing:

- (i) the Sellers and the Purchasers jointly terminate the Equity Transfer Agreement by written agreement;
- (ii) if any government department promulgates any law, issues any order, decree or decision or take any other legal action to restrict, prevent or otherwise prohibit the Disposal involving the Sellers, or render the Disposal involving the Sellers illegal or impracticable to complete;
- (iii) the Purchasers are entitled to terminate the Equity Transfer Agreement if any of the following events occurs:
  - (a) material breach of any of the representations and warranties or the covenants, undertakings and obligations under the Equity Transfer Agreement by the Sellers which would result in conditions precedent not being satisfied or waived in writing by the Purchasers before the Long Stop Date (as defined below) and such breach is not remedied within 10 Business Days after the written notice is issued by the Purchasers;
  - (b) Closing has not occurred on the 180th day after the signing date of the Equity Transfer Agreement or such later date as agreed in writing by the the Purchasers and the Sellers. For the avoidance of doubt, if after the expiry of the above period, the Disposal is still pending review and approval of the government department, the above deadline shall be postponed accordingly but the maximum extension shall not exceed 45 days unless otherwise agreed in writing by the Purchasers and the Sellers

(the “**Long Stop Date**”). If the non-occurrence of the Closing on the Long Stop Date is solely caused by a material breach by the Purchasers’ sole cause (for the avoidance of doubt, Purchaser itself, excluding any other third party), the Purchaser shall not be entitled to terminate the Share Transfer Agreement pursuant to this clause;

- (c) breach of exclusivity provisions under the Equity Transfer Agreement by the Sellers and the Sellers have entered into a share transfer agreement or any binding agreement of intent in respect of the Target Interest with a third party; or
- (iv) the Sellers are entitled to terminate the Equity Transfer Agreement if any of the following events occurs:
  - (a) material breach of any of the representations and warranties or the covenants, undertakings and obligations under the Equity Transfer Agreement by the Purchasers which would result in conditions precedent not being satisfied or waived in writing by the Sellers before the Long Stop Date and such breach is not remedied within 10 Business Days after the written notice is issued by the Sellers;
  - (b) failure of the Purchasers to file an Anti-Monopoly Review with the State Administration for Market Regulation in a timely manner which would result in conditions precedent not being satisfied before the Long Stop Date and such breach is not remedied within 10 Business Days after the written notice is issued by the Sellers;
  - (c) failure of the Purchaser to pay the Remaining Balance pursuant to the Equity Transfer Agreement and the overdue period is more than 60 days; or
  - (d) Closing has not occurred on the Long Stop Date. The Sellers shall not be entitled to terminate the Equity Transfer Agreement pursuant to this clause if the the non-occurrence of the Closing on the Long Stop Date is solely caused by a material breach by the Sellers’ sole cause (for the avoidance of doubt, Seller itself, excluding any other third party).

## **ACQUISITION OF WANSHENG**

On 14 March 2023, Fosun High Technology entered into the Share Acquisition Agreement with Nanjing Iron & Steel, pursuant to which Fosun High Technology agreed to purchase, and Nanjing Iron & Steel agreed to sell 174,305,939 shares of Wansheng (representing approximately 29.5645% of the issued shares of Wansheng as at the date of this announcement)

and all underlying rights of such shares, at the Acquisition Consideration of RMB2.65 billion, which will be payable by Fosun High Technology in cash.

The principal terms of the Share Acquisition Agreement are as follows:

### **Date**

14 March 2023

### **Parties**

Seller: Nanjing Iron & Steel

Purchaser: Fosun High Technology

As at the date of this announcement, Wansheng is held as to 29.5645% equity interest by Nanjing Iron & Steel, which is in turn held as to 59.10% equity interest by Nanjing Nangang. The Company is indirectly interested in 60% equity interest in Nanjing Nangang. As set out in condition (vii) in the paragraph headed “Conditions Precedent” above, the completion of the acquisition of 29.5645% equity interest in Wansheng by Fosun High Technology from Nanjing Iron & Steel is one of the conditions precedent to the completion of the Disposal under the Equity Transfer Agreement, details of which are set out in the section headed “Disposal of Nanjing Nangang” above. To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquires, upon the completion of the Disposal, Nanjing Iron & Steel and its ultimate beneficial owner(s) will become third parties independent of the Company and its connected persons.

### **The Acquisition**

Pursuant to the Share Acquisition Agreement, Fosun High Technology agreed to purchase, and Nanjing Iron & Steel agreed to sell, 174,305,939 shares of Wansheng (representing approximately 29.5645% of the issued shares of Wansheng as at the date of this announcement) and all underlying rights of such shares.

### **Acquisition Consideration and Payment Arrangement**

The Acquisition Consideration of RMB2.65 billion will be paid in cash by the Group with a combination of internal resources and/or external financing.

The Acquisition Consideration was determined on normal commercial terms through arm's length negotiations between Nanjing Iron & Steel and Fosun High Technology and shall not be lower than the higher of the following: (i) the investment cost of Nanjing Iron & Steel in the Acquisition Shares after deducting cash dividends of approximately RMB2,649,409,492.71; and (ii) the market value of the Acquisition Shares which is equivalent to the closing price of the shares of Wansheng as quoted on the SSE on the signing date of the Share Acquisition Agreement.

Within 20 Business Days after the effectiveness of the Share Acquisition Agreement, Fosun High Technology shall pay the first instalment of the Acquisition Consideration of RMB1 billion to Nanjing Iron & Steel, upon receipt of which within 10 Business Days, Fosun High Technology and Nanjing Iron & Steel shall jointly submit, in a timely manner, an application to the SSE for the confirmation of the Acquisition and apply to the securities depository and clearing authority for the transfer registration procedure of the Acquisition Shares (the "**Acquisition Transfer Registration**"). Within 2 Business Days from the completion date of the Acquisition Transfer Registration, Fosun High Technology shall pay the remaining Acquisition Consideration, being RMB1.65 billion, to Nanjing Iron & Steel.

### **Effectiveness of the Share Acquisition Agreement**

Unless with the written waiver from Fosun High Technology, the effectiveness of the Share Acquisition Agreement is premised on the satisfaction of the following conditions. The provisions in respect of confidentiality obligations and applicable law and dispute resolution shall take effect from the signing date of the Share Acquisition Agreement.

- (i) the Acquisition and the Share Acquisition Agreement have both been approved in the board of directors' meeting and shareholders' meeting of Nanjing Iron & Steel;
- (ii) the Acquisition and the Share Acquisition Agreement have been approved by the relevant authorities of Fosun High Technology; and
- (iii) the relevant resolution in respect of the waiver of the lock-up undertaking (as further elaborated below) has been passed in board of directors' meeting and the shareholders' meeting of Wansheng.

## **Completion**

From the date of the completion of the Acquisition Transfer Registration, Fosun High Technology immediately becomes the sole holder of the Acquisition Shares with a complete right to dispose and receive benefits from the Acquisition Shares.

## **Transition Period**

For the purpose of the Acquisition, the transition period commences from the signing date of the Share Acquisition Agreement and ends on the completion date of Acquisition Transfer Registration.

During the transition period, if the number of issued shares of Wansheng has been changed due to reasons such as bonus issue, conversion of surplus reserve, share split or placing, the Acquisition Consideration shall remain unchanged, and the number of the Acquisition Shares shall be adjusted accordingly. If Wansheng distributes dividends in respect of the Acquisition Shares during the transition period, such corresponding dividend of the Acquisition Shares shall be deducted from the Acquisition Consideration.

## **Lock-up Period**

Nanjing Iron & Steel had undertaken that it will not transfer the 104,305,939 shares of Wansheng acquired by way of share subscription in a non-public offering of Wansheng (the “**Non-public Offering**”) within 36 months from the closing date of the Non-public Offering (i.e. 7 April 2022). Fosun High Technology agreed to undertake the lock-up undertaking of Nanjing Iron & Steel as a new shareholder of Wansheng from the completion date of the Acquisition Shares Registration.

## **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.

## **Shagang Group**

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. Shagang Group is owned as to (i) approximately 29.32% equity interest by Shen Wenrong\* (沈文榮), (ii) approximately 29.10% equity interest 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) approximately 41.58% equity interest by 32 other shareholders, among which, no individual entity owned over 18% equity interest in Shagang Group.

## **Shagang Investment**

Shagang Investment is a limited liability company established in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of Shagang Group. It is principally engaged in equity investment, business investment, investment management and investment consultancy.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, Shagang Group, Shagang Investment and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

## Nanjing Iron & Steel

Nanjing Iron & Steel, a company limited by shares and established in the PRC, whose shares are listed and traded on the SSE with stock code 600282, is a leading whole-process steel conglomerate with high efficiency, which is equipped with an annual integrated 10-million-tonne-level production capability of steel. As at the date of this announcement:

- (i) Nanjing Nangang is the controlling shareholder of Nanjing Iron & Steel and holds directly and indirectly 59.10% equity interest in Nanjing Iron & Steel. No other shareholders hold more than 5% equity interest in Nanjing Iron & Steel;
- (ii) Nanjing Nangang is owned as to (a) 40% equity interest by Nanjing Iron & Steel Group directly and (b) 60% equity interest in aggregate by the Company indirectly through the Sellers;
- (iii) Nanjing Iron & Steel Group is owned as to (a) 51% equity interest by Nanjing Iron & Steel Venture Investment Co., Ltd.\* (南京鋼鐵創業投資有限公司) (“**Nanjing Iron & Steel Venture Investment**”) and (b) 49% equity interest by Nanjing New Industry Investment Group Co., Ltd.\* (南京新工投資集團有限責任公司) which is a state-owned enterprise; and
- (iv) Nanjing Iron and Steel Venture Investment is owned as to (a) approximately 36.07% equity interest by Nanjing Iron & Steel Group Co., Ltd. Trade Unions Committee\* (南京鋼鐵集團有限公司工會委員會) and (b) approximately 63.93% equity interest by other natural person shareholders, amongst which, no natural person shareholders held more than 10% equity interest in Nanjing Iron and Steel Venture Investment.

To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquiries, upon the completion of the Disposal, Nanjing Iron & Steel and its ultimate beneficial owners will all become third parties independent of the Company and its connected persons.

## Nanjing Nangang

Nanjing Nangang is a company established in the PRC. As at the date of this announcement, Nanjing Nangang is a joint venture of the Company and held as to 40% equity interest by Nanjing Iron & Steel Group, 30% equity interest by Fosun High Technology, 20% equity interest by Fosun Industrial Investment and 10% equity interest by Fosun Industrial Technology.

Upon the execution of the Proxy on 31 December 2015, Nanjing Iron & Steel Group acted as the proxy in respect of the 10% equity interest in Nanjing Nangang held by Fosun Industrial Technology. Accordingly, the Company is deemed to be indirectly interested in 50% of the voting rights while Nanjing Iron & Steel Group is deemed to be interested in 50% of the voting rights of Nanjing Nangang. As such, Nanjing Nangang is not a subsidiary of the Company and its operating results does not consolidate in the financial statements of the Company. The Company accounts for its interest in Nanjing Nangang as an interest in a joint venture. For further details of the Proxy arrangement and the accounting treatment of the Company in respect of Nanjing Nangang, please refer to the announcement of the Company dated 31 December 2015 and the circular of the Company dated 28 April 2016.

Nanjing Nangang is principally engaged in investment holding and the Target Group is principally engaged in the related business on smelting and sale of iron and steel. As at the date of this announcement, Nanjing Nangang directly and indirectly holds 59.10% equity interest in Nanjing Iron & Steel.

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

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>approximately</b>	<b>approximately</b>
	<b>RMB million</b>	<b>RMB million</b>
	<b>(audited)</b>	<b>(audited)</b>
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, net assets attributable to owners of the parent of Nanjing Nangang were approximately RMB79,650.14 million, RMB36,468.97 million and RMB19,916.61 million as of 30 June 2022, respectively.

## **Wansheng**

Wansheng is a joint stock limited company established in the PRC, whose shares are listed and traded on the SSE with stock code 603010. Wansheng focuses on production, research and development and sales of functional fine chemicals and is one of the the global leading producers and suppliers of the phosphorus flame retardant. As at the date of this announcement,

Wansheng is a subsidiary of Nanjing Iron & Steel.

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

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>approximately</b>	<b>approximately</b>
	<b>RMB million</b>	<b>RMB million</b>
	<b>(audited)</b>	<b>(audited)</b>
Net profit before tax	954.73	443.45
Net profit after tax	824.48	393.22

The unaudited total assets and net asset and net assets attributable to owners of the parent of Wansheng were approximately RMB5,586.28 million, RMB3,897.05 million and RMB3,861.04 million as of 30 June 2022, respectively.

## **FINANCIAL IMPLICATIONS OF THE DISPOSAL**

Upon completion of the Disposal, the Group will no longer hold any equity interest in Nanjing Nangang. It is expected that, upon completion of the Disposal, the Group will realize a gain before tax on the Disposal of approximately RMB0.83 billion and such gain is calculated with reference to the difference between the Disposal Consideration of RMB13.58 billion and the carrying amount of Group's investment in Nanjing Nangang as at 31 December 2022 of approximately RMB12.75 billion. The actual gain as a result of the Disposal to be recorded by the Group is subject to audit and will be reassessed after the completion of the Disposal.

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

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE ACQUISITION**

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 consumers.

In order to facilitate the Disposal, Fosun High Technology will acquire 29.5645% equity interest in Wansheng and all underlying rights of such shares pursuant to the Share Acquisition Agreement. The Disposal 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.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Disposal and the Acquisition, as well as the terms of the Equity Transfer Agreement and the Share Acquisition Agreement are on normal commercial terms, fair and reasonable and in the interests 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) in relation to the Disposal are more than 25% but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 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 Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, and after having made all reasonable enquiries, no Shareholders or any of their respective associates (as defined under the Listing Rules) have any material interest in the Disposal contemplated under the Equity Transfer Agreement, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal contemplated under the Equity Transfer Agreement. The Company has obtained a written shareholder's approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 73.53% of the total issued shares of the Company as at the date of this announcement, in lieu of holding a general meeting to approve the Disposal contemplated under Equity Transfer Agreement, in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, which will include, among other things, further details in respect of the Equity Transfer Agreement, must be despatched to the

Shareholders within 15 business days (as defined under the Listing Rules) after the publication of this announcement. As additional time is required to prepare and finalize the information contained in the circular, the Company will apply to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of time for the despatch of the circular to the Shareholders.

## DEFINITIONS

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

“Acquisition”	the acquisition of the shares of Wansheng by Fosun High Technology from Nanjing Iron & Steel in accordance with the Share Acquisition Agreement
“Acquisition Consideration”	the consideration in respect of the Acquisition Shares under the Share Acquisition Agreement
“Acquisition Shares”	174,305,939 shares of Wansheng (representing approximately 29.5645% of the issued shares of Wansheng as at the date of this announcement) and all the underlying rights of such shares
“Benchmark Transfer Price”	the benchmark transfer price payable by the Purchasers to the Sellers in respect of the Disposal pursuant to the Equity Transfer Agreement
“Board”	the board of Directors of the Company
“Business Day”	a day on which banks in China are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Closing”	closing of the Disposal in accordance with the Equity Transfer Agreement
“Closing Date”	the date on which Closing occurs
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong 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

“Disposal”	the disposal of the Target Interest by the Sellers to the Purchasers in accordance with the Equity Transfer Agreement
“Disposal Consideration”	the total consideration which shall be RMB13.58 billion (subject to adjustment as set out in the Disposal Consideration Formula) for the disposal of an aggregate of 60% equity interest in Nanjing Nangang by each of the Sellers to the respective Purchasers pursuant to the Equity Transfer Agreement
“Earnest Money”	the earnest money of RMB8 billion paid by Shagang Group to the Sellers pursuant to the Framework Agreement dated 14 October 2022 entered into between Shagang Group and the Sellers
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Sellers and the Purchasers on 14 March 2023 for the transfer of the Target Interest in connection with the 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 as at the date of this announcement
“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 as at the date of this announcement
“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 as at the date of this announcement
“Framework Agreement”	the investment framework agreement dated 14 October 2022 entered into between Shagang Group and the Sellers in respect of the potential disposal of the Target Interest, details of which are set out in the announcement of the Company dated 19 October 2022
“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”	Nanjing Iron & Steel Co., Ltd.* (南京鋼鐵股份有限公司), a joint stock limited company established under the laws of the PRC, whose shares are listed and traded on the SSE with stock code 600282. It is owned directly and indirectly as to 59.10% equity interest by the Target Company as at the date of this announcement
“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 and was appointed as the assignee by Fosun Industrial Technology under the Proxy
“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
“Proxy”	the proxy executed by Fosun Industrial Technology dated 31 December 2015 to appoint Nanjing Iron & Steel Group as its proxy in respect of the 10% equity interest in Nanjing Nangang
“Purchasers” or each a “Purchaser”	Shagang Group and Shagang Investment
“Reference Date”	30 June 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers” and each a “Seller”	Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology
“Shagang Group”	Jiangsu Shagang Group Co., Ltd.* (江蘇沙鋼集團有限公司), a limited liability company established under the laws of the PRC and an independent third party of the Company
“Shagang Investment”	Jiangsu Shagang Group Investment Holding Co., Ltd.* (江蘇沙鋼集團投資控股有限公司), a limited liability company established under the laws of the PRC and an independent third party of the Company
“Share Acquisition Agreement”	the share acquisition agreement entered into between Nanjing Iron & Steel and Fosun High Technology on 14 March 2023 for the transfer of 29.5645% equity interest in Wansheng in connection with the Acquisition



“Shareholders”	the shareholders of the Company
“SSE”	the Shanghai Stock Exchange
“Target Company” or “Nanjing Nangang”	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 Group”	the Target Company, the entities directly or indirectly controlled by the Target Company as at the date of the Equity Transfer Agreement (excluding Wansheng and Furui Microelectronics (Shanghai) Co., Ltd.* (復睿微電子(上海)有限公司) and their respective subsidiaries and branches) and the entities which the Target Company has acquired direct or indirect control during the period from the date of the Equity Transfer Agreement to the Closing Date (if any)
“Target Interest”	60% equity interest in the Target Company held by the Sellers to be disposed of to the Purchasers, including but not limited to all cumulative undistributed profits entitled to the Target Interest in the Target Company which include undeclared profits and declared but unpaid dividends as at the Closing Date
“Wansheng”	Zhejiang Wansheng Co., Ltd.* (浙江萬盛股份有限公司), a joint stock limited company established under the laws of the PRC, whose shares are listed and traded on the SSE with stock code 603010
“%”	per cent

By Order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

14 March 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. Gong Ping and Mr. Huang Zhen; the non-executive directors are Mr. Yu Qingfei, Mr. Li Shupeu and Mr. Li Fuhua; 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*