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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)

**SUPPLEMENTAL AGREEMENT FOR
THE DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSALS OF EQUITY INTERESTS
IN FOUR TARGET COMPANIES**

Financial Advisor

FOSUN INTERNATIONAL CAPITAL
复星恒利资本

Reference is made to the announcement of the Company dated 5 January 2023 in relation to the disposals of equity interests in four Target Companies (the “**Announcement**”). Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

BACKGROUND

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. The payment arrangements and the equity transfers will be completed in two stages.

Pursuant to the Equity Transfer Agreement, the Sellers shall first transfer 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 to the Purchasers at a consideration of RMB3.2 billion (the “**First Stage Payment**”). The remaining 4.99% equity interest in Tianjin Jianlong and the related rights (the “**Second Stage Equity Transfer**”) shall be transferred from Fosun Industrial Development to Camdragon Heavy Industry within 20 years at a consideration of RMB3.5 billion (the “**Second Stage Payment**”).

SUPPLEMENTAL AGREEMENT

On 28 March 2023, the Purchasers and the Sellers have entered into a supplemental agreement (the “**Supplemental Agreement**”) to supplement the detailed payment arrangement of the Second Stage Payment.

The principle terms of the Supplemental Agreement are set out below:

Date: 28 March 2023

Second Stage Payment: On the payment completion day of the First Stage Payment, Camdragon Heavy Industry and Fosun Industrial Development shall commence and proceed to execute the Second Stage Payment arrangement (the “**Second Payment Arrangement**”). During this stage, Camdragon Heavy Industry and Tianjin Jianlong, in accordance with the Supplemental Agreement, shall pay a consideration of RMB3.5 billion to Fosun Industrial Development. Fosun Industrial Development shall transfer the 4.99% equity interest in Tianjin Jianlong held by it to Camdragon Heavy Industry.

From the commencement of the Second Payment Arrangement to no more than 20 years thereafter, assuming the terms of the Contingent Second Payment Arrangement (as defined below) are not applicable, Camdragon Heavy Industry and Tianjin Jianlong shall in principle pay the Second Stage Payment to Fosun Industrial Development according to the time, amount and payment method as set out in below table (the “**Basic Payment Schedule**”). Fosun Industrial Development shall transfer the remaining 4.99% equity interest in Tianjin Jianlong held by it to Camdragon Heavy Industry on an annual basis based on the corresponding portion of the amount actually paid by Camdragon Heavy Industry and Tianjin Jianlong in a particular year. Pursuant to the Supplemental Agreement, 2024 shall be the first year to commence the payment of the Equity Transfer Payment and Tianjin Jianlong Dividends (both as defined below) in the second stage.

Unit: RMB

Timeline	1 st – 10 th year	11 th – 15 th year	16 th – 20 th year	Total
Proportion of the equity transfer of Tianjin Jianlong	1.4257%	1.0693%	2.4950%	4.99%
Consideration (before tax)	1 billion (100 million/ year)	0.75 billion (150 million/ year)	1.75 billion (350 million/ year)	3.5 billion

Note: The Equity Transfer Payment (as defined below) will be payable by Camdragon Heavy Industry in cash.

The transaction amount (the “**Transaction Amount**”) in respect of the Second Stage Equity Transfer payable in each year is determined in accordance with the Basic Payment Schedule, which comprises (i) the dividends distributed by Tianjin Jianlong (the “**Tianjin Jianlong Dividends**”) to Fosun Industrial Development in each year and (ii) the equity transfer payment (the “**Equity Transfer Payment**”) payable by Camdragon Heavy Industry to Fosun Industrial Development in each year.

Equity Transfer Payment

The total Equity Transfer Payment in respect of the transfer of 4.99% equity interest in Tianjin Jianlong held by Fosun Industrial Development to Camdragon Heavy Industry in the second stage is RMB0.75 billion. The Equity Transfer Payment for each year is calculated based on the following formula:

Equity Transfer Payment for the Nth year = Transaction Amount for the Nth year ÷ RMB3.5 billion x RMB0.75 billion

Tianjin Jianlong Dividends

Subject to compliance with the relevant laws and regulations, Tianjin Jianlong intends to pay a total of RMB2.75 billion to Fosun Industrial Development by way of dividends in no more than 20 years. The Tianjin Jianlong Dividends for each year is calculated based on the following formula:

Tianjin Jianlong Dividends for a particular year = Transaction Amount for that year – Equity Transfer Payment for that year

The Purchasers and the Sellers confirmed that, the transfer of equity shall be calculated on the basis of the actual Transaction Amount paid. If the remaining RMB3.5 billion can be paid in advance within the next 20 years, Fosun Industrial Development shall cooperate to complete the Second Stage Equity Transfer in advance. The proportion of the Second Stage Equity Transfer for each year is calculated based on the following formula:

Equity transfer for the Nth year = Transaction Amount for the Nth year ÷ RMB3.5 billion x 4.99%

**Contingent
Second
Payment
Arrangement:**

Considering that the operating performance of Camdragon Heavy Industry and Tianjin Jianlong may achieve beyond expectations in the future, in order to facilitate the completion of the Disposals, terms of the contingent payment arrangement of the Second Payment Arrangement (the “**Contingent Second Payment Arrangement**”) are established in addition to the above basic terms as follows:

- (i) in the event that the annual audit report of Tianjin Jianlong shows a loss in the net profit attributable to owners of the parent for a particular year, Camdragon Heavy Industry and Tianjin Jianlong are not required to make the payment as set out in the Basic Payment Schedule for that year and are entitled to defer such payment to the subsequent year, provided that the total payment period for the Second Stage Payment (i.e. RMB3.5 billion) shall be no longer than 20 years;
- (ii) in the event that the annual audit report of Tianjin Jianlong shows a profit in the net profit attributable to owners of the parent but such profit not exceeding RMB3.5 billion for a particular year, payment shall be made by Camdragon Heavy Industry and Tianjin Jianlong in accordance with the Basic Payment Schedule for that year;
- (iii) in the event that the annual audit report of Tianjin Jianlong shows a net profit attributable to owners of the parent of more than RMB3.5 billion but not exceeding RMB6 billion for a particular year, (a) if that year falls within the first to fifth year, payment shall be made by Camdragon Heavy Industry and Tianjin Jianlong in accordance with the Basic

Payment Schedule; and (b) if that year falls within the sixth to twentieth year, in addition to the payment made pursuant to the Basic Payment Schedule, Camdragon Heavy Industry and Tianjin Jianlong shall make an additional payment to Fosun Industrial Development, calculated with reference to the portion of the net profit attributable to owners of the parent of Tianjin Jianlong in excess of RMB3.5 billion for that year multiplied by 4.99%; and

- (iv) in the event that the annual audit report of Tianjin Jianlong shows a net profit attributable to the owners of parent exceeding RMB6 billion for a particular year, (a) if that year falls within the first to fifth year, payment shall be made by Camdragon Heavy Industry and Tianjin Jianlong in accordance with the Basic Payment Schedule; and (b) if that year falls within the sixth to twentieth year, in addition to the payment made pursuant to the Basic Payment Schedule, Camdragon Heavy Industry and Tianjin Jianlong shall make an additional payment to Fosun Industrial Development, calculated with reference to (i) the portion of the net profit attributable to owners of the parent of Tianjin Jianlong in excess of RMB3.5 billion but not exceeding RMB6 billion for that year (i.e. RMB2.5 billion) multiplied by 4.99% plus (ii) the portion of the net profit attributable to owners of the parent of Tianjin Jianlong in excess of RMB6 billion for that year multiplied by 10%.

Regardless of the execution of the terms of Contingent Second Payment Arrangement, the total amount of the Second Stage Payment shall be RMB3.5 billion.

Other

arrangements

Every year before 31 May, (i) Camdragon Heavy Industry shall procure Tianjin Jianlong to pass shareholders' resolutions; (ii) Fosun Industrial Development and Camdragon Heavy Industry shall enter into an equity transfer agreement pursuant to the payment arrangement in the Supplemental Agreement for the purpose of completing the registration procedures; and (iii) Camdragon Heavy Industry and Tianjin Jianlong shall pay the Equity Transfer Payment and Tianjin Jianlong Dividends to Fosun Industrial Development.

Within 5 Business Days upon the payment of the Equity Transfer Payment and Tianjin Jianlong Dividends every year, Fosun Industrial Development shall cooperate with Camdragon Heavy Industry and Tianjin Jianlong to

complete the registration procedures in respect of the corresponding proportion of the Second Stage Equity Transfer for that year.

Liquidated Damages:

If Camdragon Heavy Industry and/or Tianjin Jianlong fail to pay the Equity Transfer Payment and/or Tianjin Jianlong Dividends payable on the date agreed in the Supplemental Agreement in a particular year, Fosun Industrial Development is entitled to require Camdragon Heavy Industry and Tianjin Jianlong to (i) continue the performance of the Supplemental Agreement; and (ii) pay a liquidated damages which is equivalent to 0.05% per day calculated on the basis of the outstanding amount payable (Equity Transfer Payment and/or Tianjin Jianlong Dividends) in that year (the “**Liquidated Damages**”).

If Camdragon Heavy Industry and/or Tianjin Jianlong fail to pay any Equity Transfer Payment and/or Tianjin Jianlong Dividends payable pursuant to the Supplemental Agreement for two consecutive years, Fosun Industrial Development is entitled to demand Camdragon Heavy Industry and Tianjin Jianlong to pay the Liquidated Damages. In addition, Camdragon Heavy Industry and Tianjin Jianlong shall pay all outstanding amount payable in a lump sum in accordance with the Supplemental Agreement.

Save as disclosed above, all other terms and conditions of the Equity Transfer Agreement shall remain unchanged and in full force and effect in all respects.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

28 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 Shupeii 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.