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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 ISSUED SHARE CAPITAL
OF THE TARGET COMPANIES**

On 19 May 2023, Alpha Yu (an indirect subsidiary of the Company) and Lorie Holding (an existing minority shareholder of each of the Target Companies), as the Sellers, entered into the Sale and Purchase Agreement with BCP Asia II, as the Purchaser, pursuant to which Alpha Yu has agreed to sell, and the Purchaser has agreed to purchase, 80% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively; Lorie Holding has agreed to sell, and the Purchaser has agreed to purchase, 20% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively. The consideration for the Alpha Yu Disposals was USD455.38 million (subject to the adjustment). Upon completion of the Alpha Yu Disposals, Alpha Yu will no longer hold any shares in the Target Companies, and the Target Companies will cease to be subsidiaries of the Company.

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

INTRODUCTION

On 19 May 2023, Alpha Yu (an indirect subsidiary of the Company) and Lorie Holding (an existing minority shareholder of each of the Target Companies), as the Sellers, entered into the Sale and

Purchase Agreement with BCP Asia II, as the Purchaser, pursuant to which Alpha Yu has agreed to sell, and the Purchaser has agreed to purchase, 80% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively; Lorie Holding has agreed to sell, and the Purchaser has agreed to purchase, 20% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively. The consideration for the Alpha Yu Disposals was USD455.38 million (subject to the adjustment). Upon completion of the Alpha Yu Disposals, Alpha Yu will no longer hold any shares in the Target Companies, and the Target Companies will cease to be subsidiaries of the Company.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date	19 May 2023
Parties	<p>Seller 1: Alpha Yu (an indirect subsidiary of the Company)</p> <p>Seller 2: Lorie Holding (the existing minority shareholder of each of the Target Companies)</p> <p>Purchaser: BCP Asia II</p> <p>To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, save for Lorie Holding being a substantial shareholder of each of the Target Companies which are insignificant subsidiaries (as defined under Rule 14A.09 of the Listing Rules) of the Company, the Purchaser, Lorie Holding and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules.</p>
The Disposals	Pursuant to the Sale and Purchase Agreement, the Sellers shall sell, and the Purchaser shall purchase, the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India free from third party rights with effect from Closing and with all the rights and title attached to them, including the right to receive all distributions and dividends declared, paid or made in respect of the Sale Shares after Closing.

	Alpha Yu has agreed to sell 80% of the Sale Shares and Lorie Holding has agreed to sell 20% of the Sale Shares.
Consideration and payment arrangement	<p>The total consideration for the Disposals is USD569.65 million (the “Estimated Price”) (subject to the adjustment) and will be payable in cash to the designated bank accounts of the Sellers after deducting the relevant stamp duty of USD0.42 million payable by the Sellers.</p> <p>At Closing, the Purchaser shall pay:</p> <p>(a) to Alpha Yu, its Relevant Proportion (80%) of the Estimated Price less the stamp duty payable by Alpha Yu, amounting to USD455.38 million; and</p> <p>(b) to Lorie Holding, its Relevant Proportion (20%) of the Estimated Price less the stamp duty payable by Lorie Holding, amounting to USD113.85 million.</p> <p>Post-Closing Financial Adjustment</p> <p>The Sellers shall deliver the draft Closing Statement to the Purchaser within 60 days after Closing. The total consideration of the Disposals will be adjusted based on the following manner:</p> <p><i>Adjustment based on working capital:</i> if the Consolidated Final Working Capital is greater than 7.35% of the aggregate revenue attributable to the Target Companies and all their subsidiaries in the last twelve months preceding the Closing Accounts Date (the “Final Target Working Capital”), then the Purchaser shall pay an amount equal to the difference to each of the Sellers in the Relevant Proportions; or if the Consolidated Final Working Capital is less than the Final Target Working Capital, then each Seller shall pay an amount equal to the difference to the Purchaser in the Relevant Proportions.</p> <p><i>Adjustment based on debt:</i> if the Consolidated Debt is less than USD7.86 million, being debt attributable to the Target Companies and all of their subsidiaries as on 31 December 2022 (the “Estimated Debt”), then the Purchaser shall pay an amount equal to the difference to each of the Sellers in the Relevant Proportions; or if the Consolidated Debt is greater than the</p>

	<p>Estimated Debt, then each Seller shall pay an amount equal to the difference to the Purchaser in the Relevant Proportions.</p> <p>Adjustment based on cash: if the Consolidated Cash is greater than USD42.51 million, being the cash attributable to the Target Companies and all their subsidiaries as on 31 December 2022 (the “Estimated Cash”), then the Purchaser shall pay an amount equal to the difference to each of the Sellers in the Relevant Proportions; or if the Consolidated Cash is less than the Estimated Cash, then each Seller shall pay an amount equal to the difference to the Purchaser in the Relevant Proportions.</p> <p>The Sellers and the Purchaser agree that, once the Closing Statement has been agreed or determined in accordance with the provisions of post-Closing financial adjustment, the sums which each is respectively obliged to pay pursuant to the post-Closing financial adjustment set out above (subject to de minimis adjustment threshold) shall be aggregated and set off against each other. Whichever of the Sellers or Purchaser is then left with any payment obligation after the post-Closing financial adjustment set out above shall make the applicable payment(s) within five Business Days of the date on which the Closing Statement is agreed or so determined.</p> <p>The consideration of the Disposals was arrived at, through multi-party bids and after arm’s length negotiations, which was determined with reference to the following factors: (i) the future development of the Target Companies; (ii) the historical EBITDA achievements of the Target Companies; (iii) the certainty and timing of Closing; and (iv) the factors as set out in the section headed “REASONS FOR AND BENEFITS OF THE ALPHA YU DISPOSALS” below.</p>
<p>Closing and termination</p>	<p>Upon Closing, Alpha Yu will no longer hold any shares in the Target Companies, and the Target Companies will cease to be subsidiaries of the Company.</p> <p>Closing shall take place remotely via electronic delivery of the executed transaction documents and other deliverables (or at any other physical place agreed upon by the Sellers and the Purchaser) on the date of the Sale and Purchase Agreement and immediately after execution of the same.</p>

	<p>At Closing, each of the Sellers and the Purchaser shall deliver or perform (or ensure that there is delivered or performed) all those documents, items and actions respectively specified under the Sale and Purchase Agreement and in relation to that party or any of its affiliates.</p> <p>If the Purchaser or any Seller fails to comply with any material obligation of the arrangements of Closing under the Sale and Purchase Agreement (the “Defaulting Party”), then the Sellers (in the event the Defaulting Party is the Purchaser) or the Purchaser (in the event the Defaulting Party is a Seller) shall be entitled (in addition to and without prejudice to other rights and remedies available) by written notice to the Defaulting Party on the date of Closing would otherwise have taken place, to terminate the Sale and Purchase Agreement.</p> <p>If the Sale and Purchase Agreement is so terminated, each of the Sellers and the Purchaser shall return any part of the consideration (the Sale Shares or the Estimated Price, as the case may be) already received by it and no party nor any of its affiliates shall have any other claim under the Sale and Purchase Agreement of any nature against any other party or its affiliates (except in respect of any rights and liabilities which have accrued before termination or under any of the surviving provisions in the Sale and Purchase Agreement).</p>
<p>Guarantee</p>	<p>In connection with the Alpha Yu Disposals, the first deed of guarantee was entered into between Yu Jing (a holding company of Alpha Yu), as guarantor, and the Purchaser on 19 May 2023, pursuant to which Yu Jing guarantees to the Purchaser the due and punctual performance and discharge by Alpha Yu of all of its obligations and liability under the Sale and Purchase Agreement (the “First Guarantee”). The First Guarantee is a continuing guarantee until the earlier of: (i) five years from the date of Closing (except, with respect to any tax matter indemnity, five years from the end of the financial year in which the Closing takes place), provided that such period stands extended until final resolution of any valid claim made prior to the expiration of such period; and (ii) the date of the full performance and discharge of Alpha Yu’s obligations under the Sale and Purchase Agreement.</p>

	<p>In connection with the Alpha Yu Disposals, the second deed of guarantee was entered into between Yuyuan, as guarantor, and the Purchaser on 19 May 2023, pursuant to which Yuyuan guarantees to the Purchaser the due and punctual performance and discharge by Alpha Yu of all of its obligations to make payments under the Sale and Purchase Agreement (the “Second Guarantee”). The Second Guarantee is a continuing guarantee until the earlier of: (i) five years from the date of Closing; and (ii) the date of the full performance and discharge of Alpha Yu’s obligations under the Sale and Purchase Agreement.</p>
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FINANCIAL IMPLICATIONS OF THE ALPHA YU DISPOSALS

Upon completion of the Alpha Yu Disposals, the Group will no longer hold any shares in the Target Companies and the Target Companies will cease to be subsidiaries of the Company. It is expected that the Alpha Yu Disposals will have a positive impact on the Company’s financial performance. The actual amount of gain to be recorded from the Alpha Yu Disposals will be accounted for using the Hong Kong Financial Reporting Standards by the Company and subject to audit.

Yuyuan intends to use the proceeds from the Alpha Yu Disposals for the daily operation needs.

REASONS FOR AND BENEFITS OF THE ALPHA YU DISPOSALS

Yuyuan adheres to the strategy of developing business with the twin-driver of “industry operations and industrial investment”, takes the promotion of “oriental lifestyle aesthetics” as its top priority, continues to develop the “1+1+1” strategy layout of “online and offline membership and service platforms + family happiness consumption industry + urban industry landmarks” and gradually forms an industrial cluster with unique competitive advantages targeting family consumption. The disposal of the shares of the Target Companies will enable Yuyuan and the Company to focus more resources on the key development strategies and the key projects and create value for their shareholders.

The Directors (including the independent non-executive Directors) are of the view that the Alpha Yu Disposals are 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 Alpha Yu Disposals are more than 5% but all are less than 25%, the Alpha Yu Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

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.

Sellers

Alpha Yu is a private limited liability company incorporated under the laws of the Netherlands. It is principally engaged in investment holding. As at the date of this announcement, it is an indirect wholly-owned subsidiary of Yuyuan which is 61.79% owned subsidiary of the Company.

Lorie Holding is wholly owned by Mr. Roland Lorie and is a private limited liability company incorporated under the laws of the Netherlands. It is in liquidation and represented by its liquidator Stichting Mirna, a foundation incorporated under the laws of the Netherlands.

Purchaser

BCP Asia II is a company incorporated under the laws of Singapore. BCP Asia II is indirectly wholly-owned by private investment funds ultimately controlled by Blackstone Inc. (“**Blackstone**”). Established in 1985, Blackstone is listed on the New York Stock Exchange with stock code BX and is the world’s largest alternative asset manager. As of 31 March 2023, Blackstone has USD991 billion of assets under management.

Target Companies

IGI Belgium

IGI Belgium is a private limited liability company incorporated under the laws of Belgium. It is principally engaged in diamond related certification and consulting services. As at the date of this announcement, IGI Belgium is owned as to 80% by Alpha Yu and 20% by Lorie Holding.

IGI Netherlands

IGI Netherlands is a private limited liability company incorporated under the laws of the Netherlands. It is principally engaged in diamond related certification and consulting services. As at the date of this announcement, IGI Netherlands is owned as to 80% by Alpha Yu and 20% by Lorie Holding.

IGI India

IGI India is a private company incorporated under the laws of India. It is principally engaged in diamond related certification and consulting services. As at the date of this announcement, IGI India is owned as to 80% by Alpha Yu and 20% by Lorie Holding.

The net profits (before and after taxation) attributable to the equity holders of the Target Companies 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 2022	For the year ended 31 December 2021
	<i>USD million (unaudited)</i>	<i>USD million (unaudited)</i>
Net profit/(loss) before tax	47.22	39.16
Net profit/(loss) after tax	34.51	28.84

As at 31 December 2022, the unaudited total assets and net assets of the Target Companies were approximately USD83.22 million and USD59.02 million, respectively.

DEFINITIONS

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

“Alpha Yu”	Alpha Yu B.V., a private limited liability company incorporated under the laws of the Netherlands
“Alpha Yu Disposals”	the disposals of 80% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively by Alpha Yu in accordance with the Sale and Purchase Agreement
“Belgium”	The Kingdom of Belgium
“Board”	the board of the directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open in Hong Kong, Brussels, Amsterdam, Mumbai, Singapore, London and Shanghai for general commercial business
“Closing”	closing of the Disposals in accordance with the Sale and Purchase Agreement
“Closing Accounts Date”	30 April 2023
“Closing Statement”	a statement showing the debt, cash and cash equivalents, and working capital of each Target Company and its subsidiaries and the Consolidated Debt, Consolidated Cash and Consolidated Final Working Capital as at the Closing Accounts Date
“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
“Consolidated Cash”	the aggregate cash and cash equivalents of all Target Companies as on the Closing Accounts Date, determined on a consolidated basis, reduced by any intercompany eliminations
“Consolidated Debt”	the aggregate debt owed by all Target Companies as at the Closing Accounts Date, determined on a consolidated basis, reduced by any intercompany eliminations
“Consolidated Final Working Capital”	the working capital of all Target Companies as at the Closing Accounts Date, determined on a consolidated basis
“Director(s)”	the director(s) of the Company

“Disposals”	the Alpha Yu Disposals and the Lorie Holding Disposals
“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
“IGI Belgium”	International Gemmological Institute B.V., a private limited liability company incorporated under the laws of Belgium
“IGI India”	International Gemmological Institute (India) Private Limited, a private company incorporated under the laws of India
“IGI Netherlands”	IGI Netherlands B.V., a private limited liability company incorporated under the laws of the Netherlands
“India”	the Republic of India
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Lorie Holding”	Lorie Holding B.V., in liquidation, a private limited liability company incorporated under the laws of the Netherlands, the existing minority shareholder of the Target Companies holding 20% of the entire issued share capital in each of the Target Companies
“Lorie Holding Disposals”	the disposals of 20% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively by Lorie Holding in accordance with the Sale and Purchase Agreement
“Netherlands”	The Kingdom of the Netherlands
“PRC”	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 “BCP Asia II”	BCP Asia II Topco Pte. Ltd., a company incorporated under the laws of Singapore
“Relevant Proportion”	in respect of Alpha Yu, 80% of the entire issued share capital in each of the Target Companies; in respect of Lorie Holding, 20% of the entire issued share capital in each of the Target Companies
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Sellers and the Purchaser on 19 May 2023 for the sale and purchase of the Sale Shares in connection with the Disposals
“Sale Shares”	the shares comprising the entire issued share capital of each of the Target Companies
“Seller(s)”	Alpha Yu and/or Lorie Holding
“Singapore”	the Republic of Singapore
“Target Company(ies)”	IGI Belgium, IGI Netherlands and IGI India
“USD”	United States dollars, the lawful currency of the United States
“Yu Jing”	Yu Jing Industrial Limited, a wholly-owned subsidiary of Yuyuan, is principally engaged in investment holding
“Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城(集團)股份有限公司), established under the laws of the PRC, is a 61.79% owned subsidiary of the Company as at the date of this announcement whose A shares are listed on the Shanghai Stock Exchange with stock code 600655. The businesses of Yuyuan mainly compose of jewelry and fashion, cultural business, cultural catering, food and beverage, beauty and health, Chinese fashion watches, cultural creativity, complex real estate, commercial management, etc..
“%”	per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

21 May 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, Mr. Huang Zhen and Mr. Pan Donghui; the non-executive directors are Mr. Yu Qingfei, Mr. Li Shupe 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*