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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)

**MAJOR AND CONNECTED TRANSACTION
DELEGATION OF VOTING RIGHTS
IN NANJING NANGANG**

AND

**GRANT OF WAIVER FROM STRICT
COMPLIANCE WITH
RULE 14.41(a) OF THE LISTING RULES**

THE PROXY

The Board hereby announces that on 31 December 2015, Fosun Industrial Development, the shareholder of Nanjing Nangang, executed a Proxy to appoint Nanjing Iron & Steel Group as its proxy in respect of all the shares held by Fosun Industrial Development in Nanjing Nangang.

As at the date of this announcement, Nanjing Nangang is a 60% indirectly owned subsidiary of the Company (30% owned by Fosun High Technology, 20% owned by Fosun Industrial Investment, 10% owned by Fosun Industrial Development).

Upon the execution of the Proxy, the Company will be deemed to be indirectly interested in 50% of the voting rights while Nanjing Iron & Steel Group will be deemed to be interested in 50% of the voting rights of Nanjing Nangang. As such, Nanjing Nangang will cease to be accounted for as a subsidiary of the Company in accordance with the prevailing accounting standards under the HKFRS and its operating results will no longer be consolidated in the financial statements of the Company. The Company will account for its interest in Nanjing Nangang as an interest in a joint venture.

LISTING RULES IMPLICATIONS

The Delegation constitutes a deemed disposal of the Company's equity interest in Nanjing Nangang. As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Proxy exceeds 25% and is less than 75%, the Delegation constitutes a major transaction for the Company and is subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As prior to the grant of Proxy, Nanjing Nangang is a subsidiary of the Company and Nanjing Iron & Steel Group is a substantial shareholder of Nanjing Nangang, Nanjing Iron & Steel Group is a connected person of the Company and the Delegation also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (1) Nanjing Iron & Steel Group is a connected person of the Company at subsidiary level, (2) the Board has approved the Delegation and (3) the independent non-executive Directors have confirmed that the terms of the Delegation are fair and reasonable and on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Delegation is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to announcement and reporting requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Proxy and the Delegation, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proxy and the Delegation. The Company has obtained a written Shareholder approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 71.37% 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 Proxy and the Delegation in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other things, further information relating to the Proxy and the Delegation will be despatched to the Shareholders. As the Company will need additional time to prepare, among other things, the financial information of the Group for inclusion in the circular, the Company has applied to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, such that the circular will be despatched to the Shareholders on or before 30 April 2016.

The Hong Kong Stock Exchange has granted the waiver to the Company on 31 December

2015 on the basis that the circular will be despatched to the Shareholders on or before 30 April 2016. The Hong Kong Stock Exchange may change the terms of the waiver if the Company's situation changes.

A. THE PROXY

The Board hereby announces that, on 31 December 2015, Fosun Industrial Development, an indirectly wholly-owned subsidiary of the Company, executed a Proxy (the “**Proxy**”) to appoint Nanjing Iron & Steel Group as its proxy in respect of all the shares held by Fosun Industrial Development in Nanjing Nangang (the “**Delegation**”) at nil consideration.

The consideration for the Proxy was determined after arm's length negotiations between Fosun Industrial Development and Nanjing Iron & Steel Group, taking into account the factors set out in the section “Reasons for and benefits of granting the Proxy”.

B. SUMMARY OF FINANCIAL RESULTS OF NANJING NANGANG

A summary of the audited consolidated financial results of Nanjing Nangang for two fiscal years immediately prior to the date of its announcement is as follows:

	Year ended 31 December	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	27,581,696	26,804,501
Profit before tax	476,750	312,314
Profit after tax	368,351	498,668

The audited consolidated total assets and net assets of Nanjing Nangang as at 31 December 2014 amounted to approximately RMB41,272.72 million and RMB9,722.29 million respectively.

C. FINANCIAL EFFECTS OF THE PROXY

As at the date of this announcement, Nanjing Nangang is a 60% indirectly owned subsidiary of the Company (30% owned by Fosun High Technology, 20% owned by Fosun Industrial Investment, 10% owned by Fosun Industrial Development).

Upon the execution of the Proxy, the Company will be deemed to be indirectly interested in 50% of the voting rights while Nanjing Iron & Steel Group will be deemed to be interested in 50% of the voting rights of Nanjing Nangang. As such, Nanjing Nangang will cease to be accounted for as a subsidiary of the Company in accordance with the prevailing accounting standards under the HKFRS and its operating results will no longer be consolidated in the financial statements of the Company. The Company will account for its interest in Nanjing Nangang as an interest in a joint venture.

The Company will not receive any cash inflow as a result of the execution of the Proxy. However, the Company will recognize a gain or loss on deemed disposal of a subsidiary in its consolidated income statement, based on the difference between the appraised value and the book value of the Company's 60% equity interest in Nanjing Nangang.

Further information concerning the effect of the Proxy on the earnings, assets and liabilities of the Company will be disclosed in the circular to be despatched to Shareholders in compliance with the requirements of the Listing Rules.

D. REASONS FOR AND BENEFITS OF GRANTING THE PROXY

The Group adheres to the development strategy of “investment + insurance” and reviews the existing investment businesses persistently, especially the non-insurance and financial investment businesses and explores the opportunities of optimization and integration to realise the strategic goals.

The grant of the Proxy to Nanjing Iron & Steel Group at nil consideration is expected to achieve a win-win situation to both the Group and Nanjing Iron & Steel Group where:

- a. Nanjing Iron & Steel Group will be able to exercise voting rights attached to 50% of the shares of Nanjing Nangang, thus giving it a greater influence over Nanjing Nangang. Nanjing Iron & Steel Group will make joint efforts with the Group to improve the industry upgrading and transition of Nanjing Nangang. This is expected to be beneficial to both Nanjing Nangang and its shareholders as a whole.
- b. The Group's management will focus on its core business, while continuing to maintain a 60% economic interest in Nanjing Nangang.

None of the Directors is considered to have a conflict of interest in the Delegation contemplated under the Proxy. Therefore, none of the Directors is required to abstain from voting at the resolutions in relation to the Delegation.

The Directors (including the independent non-executive Directors) believe that the terms of the Proxy are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

E. LISTING RULES IMPLICATIONS

The Delegation constitutes a deemed disposal of the Company's equity interest in Nanjing Nangang. As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Proxy exceeds 25% and is less than 75%, the Delegation constitutes a major transaction for the Company and is subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As prior to the grant of Proxy, Nanjing Nangang is a subsidiary of the Company and Nanjing Iron & Steel Group is a substantial shareholder of Nanjing Nangang, Nanjing Iron & Steel Group is a connected person of the Company and the Delegation also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (1) Nanjing Iron & Steel Group is a connected person of the Company at subsidiary level, (2) the Board has approved the Delegation and (3) the independent non-executive Directors have confirmed that the terms of the Delegation are fair and reasonable and on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Delegation is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to announcement and reporting requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Proxy and the Delegation, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proxy and the Delegation. The Company has obtained a written Shareholder approval from Fosun Holdings Limited, the controlling Shareholder holding approximately 71.37% of the total issued shares of the Company as at the date of this

“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
“Director”	the director of the Company
“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 incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Fosun Industrial Development”	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 incorporated under the laws of the PRC and an wholly-owned subsidiary of Fosun Industrial Investment
“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 incorporated under the laws of the PRC and a wholly-owned subsidiary of Fosun High Technology
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Nanjing Iron & Steel Group”	Nanjing Iron & Steel Group Co., Ltd. (南京鋼鐵集團有限公司), a limited liability company incorporated under the laws of the PRC and is appointed as the assignee by Fosun Industrial Development under the Proxy
“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 incorporated under the laws of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB” Renminbi, the lawful currency of the PRC

“Shareholder(s)” holder(s) of the issued ordinary share(s) of the Company

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 31 December 2015

As at the date of this announcement, the executive directors are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetao, Mr. Chen Qiyu and Mr. Xu Xiaoliang; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao.