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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

**THE ACQUISITION OF 70% EQUITY INTEREST IN
SICHUAN TUOPAI SHEDE GROUP CO., LTD.***

THE ACQUISITION

The Board is pleased to announce that the Buyer (an indirect subsidiary of the Company) and the Auctioneer, who is entrusted by the People's Court of Pengxi County, Suining City, Sichuan Province, the PRC, signed the Confirmation on the Deal of the Auction on 31 December 2020, pursuant to which the Buyer agreed to purchase 70% equity interest of the Target Company. The Consideration is RMB4.53 billion and will be settled through cash. A security deposit of RMB800 million has been paid by the Buyer upon the enrolment for the auction and the balance of the Consideration will be paid on or before 15 January 2021.

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 Acquisition exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should be aware that the completion of the Acquisition is subject to conditions precedent including the payment of the balance of the Consideration by the Buyer, the issuance of an auction closing order by the relevant court in the PRC, the registration of the transfer of equity interests, which are subject to uncertainties. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that the Buyer (an indirect subsidiary of the Company) and the Auctioneer, who is entrusted by the People's Court of Pengxi County, Suining City, Sichuan Province, the PRC, signed the Confirmation on the Deal of the Auction on 31 December 2020, pursuant to which the Buyer agreed to purchase 70% equity interest of the Target Company. The Consideration is RMB4.53 billion and will be settled through cash. A security deposit of RMB800 million has been paid by the Buyer upon the enrolment for the auction and the balance of the Consideration will be paid on or before 15 January 2021.

Confirmation on the Deal of the Auction

Date: 31 December 2020

Parties: **Buyer:** Yuyuan, an indirectly-owned subsidiary of the Company

Auctioneer: Suining Juxin Auction Co., Ltd.* (遂寧市聚鑫拍賣有限公司)

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, the shareholders of the Target Company and their ultimate beneficial owners, the Auctioneer and its ultimate beneficial owners are third parties independent of the Company and connected persons (has the meaning given by Listing Rules) of the Company.

Acquisition: Pursuant to the Confirmation on the Deal of the Auction, the Buyer agreed to purchase 70% equity interest of the Target Company.

Consideration

The Consideration is RMB4.53 billion and will be settled through cash by the Buyer. A security deposit of RMB800 million has been paid by the Buyer upon the enrolment for the auction and the balance of the Consideration will be paid on or before 15 January 2021. The Consideration in cash will be settled through combination of internal resources and/or external financing.

The Consideration represents the highest bidding amount of the auction for 70% equity interest of the Target Company and such bidding amount is determined by the Group after taking consideration of the value of the asset and the business of the Target Company and the factors stated in the

paragraph headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Adhering to the positioning as an innovation-driven consumer group, the Group has been actively solidifying its foothold in three businesses, namely Health, Happiness and Wealth, which support the lifestyle and consumption upgrading of modern Chinese consumers.

The Group is optimistic about the potential growth of the Target Company which operates a high-quality liquor and spirits business and is in line with the synergic development strategy of the Group. After the completion of the Transaction, the Group will further expand its strategic layout of liquor and spirits business.

The Directors (including the independent non-executive Directors) consider that the terms of the Confirmation on the Deal of the Auction and the Transaction 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 Acquisition exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The Target Company

Sichuan Tuopai Shede Group Co., Ltd.* (四川沱牌舍得集團有限公司) was established in May 1995, which is a limited liability company established under the laws of China. The principal businesses of Shede Group include liquor and spirits business, pharmaceutical business, hydropower business and other minority shareholding investments etc.. Shede Group holds 29.95% interests in Shede Spirits Co., Ltd.* (舍得酒業股份有限公司), a company whose A shares are listed on the Shanghai Stock Exchange with stock code 600702.

The consolidated net profits (both before and after taxation) attributable to the equity holders of the Target Company for the two financial years immediately preceding the Transaction (in accordance with the China Accounting Standards) are as follows:

	For the year ended 31 December	
	2019	2018
	(audited)	(audited)
	approximately	approximately
	RMB million	RMB million
Net profit before tax	804.1	506.7
Net profit after tax	621.2	428.7

As at 30 June 2020, the unaudited consolidated total assets and net assets of the Target Company were approximately RMB10,488.0 million and RMB5,980.1 million, respectively. As at 30 September 2020, the unaudited total assets and net assets of the Target Company were approximately RMB4,397.3 million and RMB2,470.4 million, respectively.

The Company

The Company is established under the laws of Hong Kong and its shares are listed and traded on the Main Board of the Hong Kong Stock Exchange with stock code 00656. Adhering to the positioning as an innovation-driven consumer group, the Company continues to focus on expanding its three businesses – Health, Happiness and Wealth, and enhance its operational capabilities and product competitiveness, in order to maintain a sustainable and healthy growth across its global business. The Health business includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness business includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle; the Wealth business includes three major segments: Insurance, Finance and Investment.

The Buyer

Yuyuan is a company established in China and a 68.59% owned subsidiary of the Company as at the date of this announcement. In May 1992, Yuyuan was listed on the Shanghai Stock Exchange with stock code 600655 and is principally engaged in culture-commerce projects and smart retail, jewellery and fashion, cultural catering, food and beverage, Chinese fashion watches, beauty and health, and real estates with composite functions.

The Auctioneer

Suining Juxin Auction Limited* (遂寧市聚鑫拍賣有限公司), a limited liability company incorporated in China which is engaged in the arrangement of auction. Wang Jiaquan and Luo Subi holds 65% and 35% equity interest of the Auctioneer, respectively.

Shareholders and potential investors of the Company should be aware that the completion of the Acquisition is subject to conditions precedent including the payment of the balance of the Consideration by the Buyer, the issuance of an auction closing order by the relevant court in the PRC, the registration of the transfer of equity interests, which are subject to uncertainties. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition” or “Transaction”	the acquisition of 70% equity interest of the Target Company held by Skyocean Holdings by the Buyer in accordance with the Confirmation on the Deal of the Auction entered into between the Buyer and the Auctioneer
“Auctioneer”	Suining Juxin Auction Co., Ltd.* (遂寧市聚鑫拍賣有限公司), a company established under the law of China with limited liability
“Board”	the board of the directors of the Company
“Buyer” or “Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城 (集團) 股份有限公司), incorporated under the laws of China, is a 68.59% equity interest subsidiary of the Company as at the date of this announcement and whose A shares are listed on the Shanghai Stock Exchange with stock code 600655
“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
“Confirmation on the Deal of the Auction”	the confirmation on the deal of the auction in terms of the Acquisition entered into between the Buyer and the Auctioneer dated 31 December 2020
“Consideration”	the consideration payable by the Buyer for purchasing 70% equity interest of the Target Company held by Skyocean Holdings pursuant to the Confirmation on the Deal of the Auction
“Directors”	the directors of the Company
“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
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Skyocean Holdings”	Skyocean Group Holdings Co., Ltd.* (天洋控股集團有限公司), a company established under the laws of China with limited liability which is mainly engaged in culture, consumer goods, technology, financial investment and other industries. Zhou Zheng and Zhou Jin hold 80% and 20% equity interest in Skyocean Holdings, respectively
“Target Company” or “Shede Group”	Sichuan Tuopai Shede Group Co., Ltd.* (四川沱牌舍得集團有限公司), a limited liability company established under the laws of China, which is held as to 70% and 30% by Skyocean Holdings and the People’s Government of Shehong City, Sichuan Province, the PRC, respectively
“%”	per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

31 December 2020

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetang and Mr. Gong Ping; the non-executive directors are Ms. Chen Shucui, Mr. Zhuang Yuemin and Mr. Yu Qingfei; 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*