

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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) TERMINATION OF MAJOR TRANSACTION
PREVIOUS DISPOSAL OF NANJING NANGANG TO
SHAGANG GROUP AND SHAGANG INVESTMENT**

**(2) MAJOR TRANSACTION
NEW DISPOSAL OF NANJING NANGANG TO
NANJING IRON & STEEL GROUP**

Reference is made to the announcements of the Company dated 19 October 2022 and 14 March 2023. The Board announced that on 14 October 2022, Shagang Group, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology, 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 the Target Company. The Board further announced that on 14 March 2023, pursuant to the Framework Agreement, Shagang Group and Shagang Investment as the Previous Purchasers, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers, entered into the Previous ETA, pursuant to which, the Sellers agreed to conditionally dispose of, and the Previous Purchasers agreed to conditionally acquire, 60% equity interest in the Target Company.

As at the date of this announcement, Nanjing Iron & Steel Group is an existing shareholder of the Target Company holding 40% equity interest in the Target Company. In accordance with the Company Law of the PRC and Articles and Association of the Target Company, Nanjing Iron & Steel Group is entitled to the right of first-refusal to purchase the Target Interest on equivalent terms and conditions offered by the Previous Purchasers to the Sellers under the Previous ETA (the “**Right of First Refusal**”). As such, it was a condition precedent to the completion of the Previous Disposal pursuant to the Previous ETA to obtain the shareholder approval of the Target Company to waive the Right of First Refusal.

Pursuant to the Previous ETA, the Sellers sent a notice (the “**Notice**”) to Nanjing Iron & Steel Group on 14 March 2023 in respect of the Right of First Refusal. On 2 April 2023, Nanjing Iron & Steel Group informed the Sellers that it decided to exercise its Right of First Refusal to acquire 60% equity interest in the Target Company held by the Sellers.

As a result of Nanjing Iron & Steel Group’s exercise of the Right of First Refusal:

- (i) The Sellers will serve a written notice to the Previous Purchasers to terminate the Previous ETA within 2 Business Days from the date of the New ETA, pursuant to which, the Sellers shall, return the Earnest Money and the corresponding interests at an annual interest rate of 8% (the “**Relevant Interests**”), to the bank account designated by the Previous Purchasers pursuant to the terms of the Framework Agreement and the Previous ETA.
- (ii) On 2 April 2023, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers entered into the New ETA with Nanjing Iron & Steel Group as the New Purchaser, pursuant to which the Sellers agreed to conditionally dispose of, and the New Purchaser agreed to conditionally acquire 60% equity interest in the Target Company at the New Disposal Consideration.

Upon completion of the New Disposal, the entire equity interest in the Target Company will be solely held by Nanjing Iron & Steel Group and the Sellers will cease to have any equity interest in the Target Company.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the Termination constitutes termination of a transaction previously announced 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 New Disposal are more than 25% but all are less than 75%, the New 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.

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 New Disposal contemplated under

the New ETA, thus no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the New Disposal contemplated under the New ETA. 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 New Disposal contemplated under New ETA, 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 New ETA, 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.

BACKGROUND

Reference is made to the announcements of the Company dated 19 October 2022 and 14 March 2023. The Board announced that on 14 October 2022, Shagang Group, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology, 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 the Target Company. The Board further announced that on 14 March 2023, pursuant to the Framework Agreement, Shagang Group and Shagang Investment as the Previous Purchasers, and Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers, entered into the Previous ETA, pursuant to which, the Sellers agreed to conditionally dispose of, and the Previous Purchasers agreed to conditionally acquire, 60% equity interest in the Target Company.

DISPOSAL OF THE TARGET COMPANY TO NANJING IRON & STEEL GROUP

As at the date of this announcement, Nanjing Iron & Steel Group is an existing shareholder of the Target Company holding 40% equity interest in the Target Company. In accordance with the Company Law of the PRC and Articles and Association of the Target Company, Nanjing Iron & Steel Group is entitled to the Right of First Refusal to purchase the Target Interest on equivalent terms and conditions offered by the Previous Purchasers to the Sellers under the Previous ETA. As such, it was a condition precedent to the completion of the Previous Disposal

pursuant to the Previous ETA to obtain the shareholder approval of the Target Company to waive the Right of First Refusal.

Pursuant to the Previous ETA, the Sellers sent a Notice to Nanjing Iron & Steel Group on 14 March 2023. On 2 April 2023, Nanjing Iron & Steel Group informed the Sellers that it decided to exercise its Right of First Refusal to acquire 60% equity interest in the Target Company held by the Sellers.

As a result of Nanjing Iron & Steel Group’s exercise of the Right of First Refusal:

- (i) The Sellers will serve a written notice to the Previous Purchasers to terminate the Previous ETA within 2 Business Days from the date of the New ETA, pursuant to which, the Sellers shall, return the Earnest Money and the Relevant Interests, to the bank account designated by the Previous Purchasers pursuant to the terms of the Framework Agreement and the Previous ETA.

- (ii) On 2 April 2023, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology as the Sellers entered into the New ETA with Nanjing Iron & Steel Group as the New Purchaser, pursuant to which the Sellers agreed to conditionally dispose of, and the New Purchaser agreed to conditionally acquire 60% equity interest in the Target Company at the New Disposal Consideration.

Upon completion of the New Disposal, the entire equity interest in the Target Company will be solely held by Nanjing Iron & Steel Group and the Sellers will cease to have any equity interest in the Target Company.

The principal terms of the New ETA are set out below:

Date

2 April 2023

Parties

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

New Purchaser: Nanjing Iron & Steel Group

(collectively, the “**Parties**”)

To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquires, the New Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

New Disposal

Pursuant to the New ETA, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology agreed to sell 30%, 20% and 10% equity interest in the Target Company, respectively, and Nanjing Iron & Steel Group agreed to acquire 60% equity interest in the Target Company. The Parties 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 New Purchaser.

New Disposal Consideration

Pursuant to the Notice, the New Disposal Consideration of the transfer of the Target Interest shall be the sum of RMB13.58 billion and the Capital Costs (as detailed below) (subject to adjustment as set out in the New Disposal Consideration Formula).

Pursuant to the New ETA, the New Disposal Consideration payable by the New Purchaser to the respective Seller shall be adjusted based on the formula as set out below (the “**New Disposal Consideration Formula**”):

New Disposal Consideration = Benchmark Transfer Price – the applicable Seller’s Omission Notice Cost (as defined below) x 110%

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 New Purchaser 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 “**Seller’s Omission Notice Cost**”).

The Parties 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 New Purchaser and after performing the internal decision-making procedure of the Target Company in accordance with the applicable law before the Closing, the New Purchaser shall still acquire all equity interest held by each Seller in the Target Company prior to the Closing and the New Disposal Consideration receivable by each Seller shall remain unchanged.

Capital Costs

Pursuant to the Framework Agreement, a portion of the Earnest Money of RMB4 billion (the “**First Earnest Money**”) and the remaining portion of the Earnest Money of RMB4 billion (the “**Second Earnest Money**”) were paid by Shagang Group to the Sellers on 14 October 2022 and 17 October 2022, respectively.

As a result of entering into the New ETA, the Sellers are required to pay the Relevant Interests to Shagang Group for the termination of the Previous ETA. Therefore, the New Purchaser agreed to pay the following capital costs to the Sellers as part of the New Disposal Consideration:

- (i) the corresponding interest for the First Earnest Money at an annual interest rate of 8%, covering the period from the payment date of the First Earnest Money on 14 October 2022 (inclusive) onwards up to the First Equity Transfer Prepayment Day (as defined below) (exclusive for such day); and
- (ii) the corresponding interest for the Second Earnest Money at an annual interest rate of 8%, covering the period from the payment date of the Second Earnest Money on 17 October 2022 (inclusive) onwards up to the First Equity Transfer Prepayment Day (as defined below) (exclusive for such day).

Basis of the New Disposal Consideration

As the terms and conditions offered by the New Purchaser under the New ETA shall be on equivalent terms and conditions offered by the Previous Purchasers to the Sellers under the Previous ETA, the New Disposal Consideration is determined based on the sum of the Previous Disposal Consideration and the Capital Costs. For the basis of the Previous Disposal Consideration, please refer to the paragraph headed “Basis of the Disposal Consideration” in the Announcement.

Payment Arrangement

The payment arrangement of the New Disposal Consideration, consisting of the First Equity Transfer Prepayment, Second Equity Transfer Prepayment and Equity Transfer Balance (as defined below), are shown in the following table.

Unit: RMB Yuan

Sellers	New Purchaser	Equity Interest (%)	Benchmark Transfer Price (A)	First Equity Transfer Prepayment (B)	Second Equity Transfer Prepayment (C)	Equity Transfer Balance (A-B-C)
Fosun High Technology	Nanjing Iron & Steel Group	30	6,790,000,000 plus corresponding Capital Costs of 150,794,520.55 Sub-total: 6,940,794,520.55	4,000,000,000 plus corresponding Capital Costs of 150,794,520.55 Sub-total: 4,150,794,520.55	2,500,000,000	290,000,000
Fosun Industrial Investment		20	4,526,670,000 plus corresponding Capital Costs of 92,602,739.73 Sub-total: 4,619,272,739.73	2,500,000,000 plus corresponding Capital Costs of 92,602,739.73 Sub-total: 2,592,602,739.73	1,736,670,000	290,000,000
Fosun Industrial Technology		10	2,263,330,000 plus corresponding Capital Costs of 55,561,643.84 Sub-total: 2,318,891,643.84	1,500,000,000 plus corresponding Capital Costs of 55,561,643.84 Sub-total: 1,555,561,643.84	763,330,000	0
Total		60	13,580,000,000 plus corresponding Capital Costs of 298,958,904.11 Total: 13,878,958,904.11	8,000,000,000 plus corresponding Capital Costs of 298,958,904.11 Total: 8,298,958,904.11	5,000,000,000	580,000,000

First Equity Transfer Prepayment

On the second Business Day after all the conditions precedent for the First Equity Transfer Prepayment (as defined below) (the “**First Equity Transfer Prepayment Day**”) have been fulfilled (or in the event of any unfulfilled conditions waived by the New Purchaser by way of written agreement), the New Purchaser shall pay to the Sellers a sum of RMB8 billion and the Capital Costs as transfer prepayment (the “**First Equity Transfer Prepayment**”). The Parties agreed that the Sellers can only use the First Equity Transfer Prepayment to reimburse the Earnest Money made by Shagang Group to the Sellers under the Framework Agreement and the Relevant Interests (the “**Earnest Money and Relevant Interests**”) to Shagang Group.

Each Seller shall set up a designated escrow account for receiving the First Equity Transfer Prepayment (the “**Escrow Account**”) at a designated bank (“**Escrow Bank**”). Each Escrow Account will be jointly monitored by the Sellers, the New Purchaser and the Escrow Bank. Once the First Equity Transfer Prepayment is transferred by the New Purchaser to each of the Escrow Accounts, each of the aforementioned parties shall use its best efforts to ensure that all the First Equity Transfer Prepayment are immediately transferred to Shagang Group’s bank account, and to specify for repaying the Earnest Money and Relevant Interests as the transfer purpose.

While transferring the First Equity Transfer Prepayment to the Escrow Accounts, the Sellers shall in parallel submit the following documents to the New Purchaser:

- (1) Equity pledge contract executed by the New Purchaser and Fosun Industrial Investment, pursuant to which Fosun Industrial Investment pledges the 11% equity interest in the Target Company held by it to the New Purchaser (the “**11% Equity Pledge Contract**”). For the avoidance of doubt, the 11% Equity Pledge Contract shall stipulate that the deregistration of the equity pledge of the 11% equity interest in Target Company held by Fosun Industrial Investment in favour of the New Purchaser on 5 August 2022 shall be a condition precedent to Fosun Industrial Investment pledging its 11% equity interest in the Target Company to the New Purchaser; and
- (2) Equity pledge contract executed by the New Purchaser, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Technology, pursuant to which the Sellers pledge their 49% equity interest in the Target Company held by them to the New Purchaser (the “**49% Equity Pledge Contract**”). For the avoidance of doubt, the 49% Equity Pledge Contract shall stipulate that the deregistration of the equity pledge of the 49% equity interest in the Target Company held by the Sellers in favour of Shagang Group shall be a condition precedent to the Seller pledging their 49% equity interest in the Target Company to the New Purchaser.

The payment of the First Equity Transfer Prepayment by the New Purchaser to the Sellers is subject to the following conditions:

- (i) the Sellers have executed all relevant documents in relation to the equity pledges in respect of the Target Interest pursuant to the 11% Equity Pledge Contract and 49% Equity Pledge Contract and is ready to deliver the same to the New Purchaser ; and
- (ii) certain customary conditions precedent in respect of the validity of the relevant transaction documents in respect of the New Disposal, the legality and the non-

existence of government restrictions of the New Disposal as at the First Equity Transfer Prepayment Day and confirmation of the fulfilment of the conditions of the First Equity Transfer Prepayment.

Second Equity Transfer Prepayment

Within 3 Business Days after all the conditions precedent for the Second Equity Transfer Prepayment (as defined below) have been fulfilled (or in the event of any unfulfilled conditions waived by the New Purchaser by way of written agreement), the New Purchaser shall pay a transfer prepayment of RMB5 billion (the “**Second Equity Transfer Prepayment**”) to the agreed Sellers’ bank accounts (the “**Sellers’ Bank Accounts**”).

The payment of the Second Equity Transfer Prepayment by the New Purchaser to the Sellers is subject to the following conditions:

- (i) all equity pledges in respect of the Target Interest in favour the New Purchaser have been duly registered and remain valid;
- (ii) Fosun High Technology has acquired 29.5645% equity interest in Wansheng held by Nangang Iron & Steel at the consideration in accordance with the laws and regulatory requirements and approved by the relevant securities regulatory authorities and paid such consideration in full and completed the transfer registration procedures; and
- (iii) certain customary conditions precedent in respect of the validity of the relevant transaction documents in respect of the New Disposal, the legality and the non-existence of government restrictions of the New Disposal as at the payment date of the Second Equity Transfer Prepayment and confirmation of the fulfilment of the conditions of the Second Equity Transfer Prepayment.

Equity Transfer Balance

On Closing Date, the Equity Transfer Prepayments will be automatically converted into part of the New Disposal Consideration.

The New Purchaser shall pay the remaining balance of the New Disposal Consideration (the “**Equity Transfer Balance**”) to the Sellers’ Bank Accounts within 5 Business Days after all the conditions precedent for Closing have been fulfilled (or in the event of any unfulfilled

conditions waived by the New Purchaser by way of written agreement) or any other time agreed by way of written consent between the New Purchaser and the Seller(s).

Conditions Precedent of Closing

Conditions precedent of Closing applicable to the Parties

The Parties shall fulfill in whole or waive (in whole or in part) upon the written agreement between the Sellers and the New Purchaser (subject to the compliance with the applicable law) certain customary conditions precedent regarding the validity of the relevant transaction documents in respect of the New Disposal on Closing Date, the legality and non-existence of government restrictions of the New Disposal.

Conditions precedent of Closing applicable to the Sellers

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

- (i) execution and delivery of transaction documents, and all government authorizations required for the New Purchaser, the Sellers or the Target Company in respect of the New Disposal have been obtained or completed and remain valid in full as at the Closing Date, including but not limited to passing of the review of concentration filings (the “**Anti-Monopoly Review**”) of the New Disposal by the competent administration for market regulation;
- (ii) in relation to the New 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 and all relevant written replies/receipts to the New 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 New Disposal, which means within 10 Business Days after the fulfilment of the conditions precedent of Closing (save for this condition and condition (vi)), the Relevant Securities Regulatory Authorities have not expressly objected or have confirmed the approval of the Closing of the New Disposal. If the

Relevant Securities Regulatory Authorities have recommended adjustment proposals concerning the New Disposal, the Parties shall make reasonable efforts to make the corresponding adjustments. If the Parties 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 resignation of relevant directors, supervisors and senior management of the Target Company as appointed by the Sellers;
- (v) Fosun High Technology has acquired 29.5645% equity interest in Wansheng held by Nangang Iron & Steel at the consideration in accordance with the laws and regulatory requirements and approved by the relevant securities regulatory authorities and paid such consideration in full and completed the transfer registration procedures;
- (vi) the Sellers have procured the Target Company to complete the registration procedures and filings with the competent administration for market regulation in respect of the change in shareholding structure 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 New Purchaser;
- (vii) the Sellers have submitted the *confirmation letter of the fulfilment of the conditions to Closing* in the format and with the content set out in the New ETA to the New Purchaser; and
- (viii) other customary conditions precedent of Closing 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 New ETA and the non-occurrence of events with material adverse effect.

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

Closing

Subject to the compliance with the terms and conditions of the New ETA, within 5 Business Days (or such other time agreed in writing by the New Purchaser and the Sellers) upon the fulfilment of all the conditions precedent of Closing (for the avoidance of doubt, the Sellers

shall provide the relevant documents and material (if applicable) to the New Purchaser proving the satisfaction of the conditions precedent of Closing) or written waiver by the relevant party of the conditions precedent of Closing, the New Purchaser shall pay the Equity Transfer Balance to the Sellers. For the avoidance of doubt, Closing shall take place when the New Purchaser pay the Equity Transfer Balance to the Sellers pursuant to the New ETA and the Closing Date is the day when Closing occurs. The New Purchaser shall acquire all rights in the Target Interest from the Closing.

Other Undertakings

The Parties agreed to be subject to certain undertakings, including but not limited to, the following undertakings:

- (i) the New Purchaser shall file the Anti-Monopoly Review with the State Administration for Market Regulation within 1 month upon the signing of the new ETA and notify the Sellers immediately upon the confirmation of the review result;
- (ii) the Parties shall and shall procure the Target Company to cooperate with the Sellers or their related party to acquire the entire equity interest in Hefei Furui Microelectronics Co., Ltd.* (合肥復睿微電子有限公司) 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 with the competent administration for market regulation within 6 months from the signing date of the New ETA;
- (iii) the Parties 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 with the competent administration for market regulation within 6 months from the signing date of the New ETA;
- (iv) 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 New Purchaser;

- (v) 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 New Purchaser on the treatment proposal of the Related Funds within 6 months after the Closing Date;
- (vi) the Sellers shall and shall procure the Target Company to cooperate reasonably with the New Purchaser to deliver the documents of the tender offer report to Nanjing Iron & Steel on the signing date of the New ETA and after the Closing Date, and to cooperate reasonably with the New Purchaser to make a general tender offer to Nanjing Iron & Steel;
- (vii) subject to the request of the New Purchaser, 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;
- (viii) pursuant to the compliance requirement of the Asset Management Association of China (中國證券投資基金業協會), the Parties 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 complete the transfer registration in respect of the Nanjing Nangang Xinqi Transfer with the competent administration for market regulation. In addition, the Parties 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 be affected 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 New Purchaser separately. The New Purchaser 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; and

- (ix) the Sellers individually and severally undertake to the New Purchaser that (a) unless with the consent of the New Purchaser, 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 from the Closing Date; and (b) the Sellers will ensure they have sufficient ability to perform the indemnity provisions under the New ETA (if required).

Transition Period

For the New Disposal, the transition period commences from the signing date of the New ETA 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/or the New Purchaser are entitled to terminate the New ETA before Closing:

- (i) the Parties jointly terminate the New ETA by written agreement;
- (ii) if any government department promulgates any law, issues any order, decree or decision or takes any other legal action to restrict, prevent or otherwise prohibit the New Disposal involving the Sellers, or renders the New Disposal involving the Sellers illegal or impracticable to complete;

- (iii) the New Purchaser is entitled to terminate the New ETA 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 New ETA by the Sellers which would result in conditions precedent of Closing not being satisfied or waived in writing by the New Purchaser 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 New Purchaser;
 - (b) Closing has not occurred on the 180th day after the signing date of the New ETA or such later date as agreed in writing by the Parties. For the avoidance of doubt, if after the expiry of the above period, the New 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 Parties (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 New Purchaser’s sole cause (for the avoidance of doubt, New Purchaser itself, excluding any other third party), the New Purchaser shall not be entitled to terminate the New ETA;
 - (c) breach of exclusivity provisions under the New ETA 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 New ETA 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 New ETA by the New Purchaser which would result in conditions precedent of Closing 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 New Purchaser to file the Anti-Monopoly Review with the State Administration for Market Regulation in a timely manner which would result in conditions precedent of Closing 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 New Purchaser to pay any installment of the New Disposal Consideration pursuant to the New ETA 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 New ETA pursuant to this clause if 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).

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.

Nanjing Iron & Steel Group

Nanjing Iron & Steel Group is a limited liability company established under the laws of the PRC and was appointed as the assignee by Fosun Industrial Technology under the Proxy. As at the date of this announcement:

- (i) 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
- (ii) Nanjing Iron & 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 & Steel Venture Investment.

To the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquiries, Nanjing Iron & Steel Group and its ultimate beneficial owners are 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. Nanjing Iron & Steel, a joint stock limited company established in the PRC and 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.

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 New Disposal (in accordance with the China Accounting Standards for Business Enterprises) are as follows:

	For the year ended 31 December	
	2022	2021
	approximately	approximately
	RMB million	RMB million
	(unaudited)	(audited)
Net profit before tax	2,632.32	5,708.86
Net profit after tax	2,264.22	4,695.62

The unaudited consolidated total assets, net assets and net assets attributable to owners of the parent of Nanjing Nangang were approximately RMB87,695.64 million, RMB37,304.57 million and RMB20,446.31 million as of 31 December 2022, respectively.

FINANCIAL IMPLICATIONS OF THE NEW DISPOSAL

Upon completion of the New Disposal, the Group will no longer hold any equity interest in Nanjing Nangang. It is expected that, upon completion of the New Disposal, the Group will realize a gain before tax on the New Disposal of approximately RMB0.77 billion and such gain is calculated with reference to the difference between RMB13.58 billion in the New Disposal Consideration and the carrying amount of Group's investment in Nanjing Nangang as at 31 December 2022 of approximately RMB12.81 billion. The actual gain as a result of the New Disposal to be recorded by the Group is subject to audit and will be reassessed after the completion of the New Disposal.

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

REASONS FOR AND BENEFITS OF THE NEW DISPOSAL

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.

The New 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.

The Directors (including the independent non-executive Directors) are of the view that the New Disposal, as well as the terms of the New ETA are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the Termination constitutes termination of a transaction previously announced 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 New Disposal are more than 25% but all are less than 75%, the New 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.

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 New Disposal contemplated under the New ETA, thus no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the New Disposal contemplated under the New ETA. 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 New Disposal contemplated under New ETA, 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 New ETA, 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:

“Announcement”	the announcement of the Company dated 14 March 2023 in relation to the Previous Disposal
“Benchmark Transfer Price”	the benchmark transfer price payable by the New Purchaser to the Sellers in respect of the New Disposal pursuant to the New ETA
“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 China
“Capital Costs”	the interests payable on the Earnest Money by the Sellers to Shagang Group pursuant to the terms of the Previous ETA, details of which are set out in the paragraph headed “Capital Costs” in this announcement
“Closing”	closing of the New Disposal in accordance with the New ETA
“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

“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 Prepayments”	the First Equity Transfer Prepayment and the Second Equity Transfer Prepayment
“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” or “New Purchaser”	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
“New Disposal”	the disposal of the Target Interest by the Sellers to the New Purchaser in accordance with the New ETA
“New Disposal Consideration”	the total consideration which consists of RMB13.58 billion and the Capital Costs (subject to adjustment as set out in the New Disposal Consideration Formula) for the disposal of an aggregate of 60% equity interest in the Target Company by each of the Sellers to the New Purchaser pursuant to the New ETA
“New ETA”	the equity transfer agreement entered into between the Sellers and the New Purchaser on 2 April 2023 for the transfer of the Target Interest in connection with the New Disposal
“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
“Previous Disposal”	the disposal of the Target Interest by the Sellers to the Previous Purchasers in accordance with the Previous ETA
“Previous Disposal Consideration”	the total consideration which shall be RMB13.58 billion (subject to adjustment as set out in the Previous Disposal Consideration Formula disclosed in the Announcement) for the disposal of an aggregate of 60% equity interest in the Target Company by the Sellers to the Previous Purchasers pursuant to the Previous ETA
“Previous ETA”	the equity transfer agreement entered into between the Sellers and the Previous Purchasers on 14 March 2023 for the transfer of the Target Interest in connection with the Previous Disposal
“Previous Purchasers”	Shagang Group and Shagang Investment
“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
“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
“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 New ETA (excluding Wansheng and Hefei Furui Microelectronics Co., Ltd.* (合肥復睿微電子有限公司) 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 New ETA 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 New Purchaser, 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

“Termination”	termination of the Previous Disposal pursuant to the written notice by the Sellers to the Previous Purchasers
“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

2 April 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 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.

** for identification purpose only*