

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
FOSUN INTERNATIONAL LIMITED
*(Incorporated in Hong Kong with limited liability
under the Companies Ordinance)*
(Stock Code: 00656)

FORTE 复地
復地（集團）股份有限公司
SHANGHAI FORTE LAND CO., LTD.*
*(a sino-foreign joint stock limited company incorporated in the
People's Republic of China with limited liability)*
(Stock Code: 02337)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

MAJOR TRANSACTION

DISPOSAL OF A 75% EQUITY INTEREST IN TIANJIN PROJECT COMPANY

Forte, Tianjin Project Company and HNA Group entered into the Equity Transfer Agreement on 24 December 2009, whereby HNA Group has agreed to acquire from Forte a 75% equity interest in the Tianjin Project Company for a consideration of RMB2,001,790,000 (equivalent to approximately HK\$2,273,004,951).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Disposal exceed 5% but below 25%, the Disposal constitutes a discloseable transaction of Fosun under Chapter 14 of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Disposal exceed 25% but less than 75%, the Disposal constitutes a major transaction of Forte under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

Forte obtained a written shareholders' approval dated 24 December 2009 in relation to the Disposal from Fosun, Fosun High Technology and Fosun Pharmaceutical Development, a closely allied group of Shareholders, which together hold more than 50% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte, no general meeting is required to be held to consider the Disposal pursuant to Rule 14.44 of the Hong Kong Listing Rules.

Background

Forte, Tianjin Project Company and HNA Group entered into the Equity Transfer Agreement on 24 December 2009, whereby HNA Group has agreed to acquire from Forte a 75% equity interest in the Tianjin Project Company for a consideration of RMB2,001,790,000 (equivalent to approximately HK\$2,273,004,951).

As at the date of this announcement, the registered capital of the Tianjin Project Company in the amount of RMB240,000,000 (equivalent to approximately HK\$272,516,692) was contributed by Forte and the Minority Shareholder in the amount of RMB180,000,000 (equivalent to approximately HK\$204,387,519) and RMB60,000,000 (equivalent to approximately HK\$68,129,173), representing 75% and 25% of the registered capital of the Tianjin Project Company, respectively.

Other than the 25% shareholding in the Tianjin Project Company, the Minority Shareholder has no other relationship with Forte Group or the controller of Forte.

Equity Transfer Agreement

Date

24 December 2009

Parties

- (i) Forte
- (ii) Tianjin Project Company
- (iii) HNA Group

To the best of the knowledge, information and belief of the directors of Forte and Fosun having made all reasonable enquiry, HNA Group and its ultimate beneficial owner(s) are independent third parties, not connected with the directors, chief executive, substantial shareholder of Forte or Fosun or its subsidiaries or any of their respective Associates.

Consideration

Pursuant to the Equity Transfer Agreement, Forte has agreed to transfer a 75% equity interest in Tianjin Project Company for a consideration of RMB2,001,790,000 (equivalent to approximately HK\$2,273,004,951), comprising:

- (i) cash amount of RMB1,176,790,000 (equivalent to approximately HK\$1,336,228,823) to be paid by instalments;
- (ii) cash amount of RMB525,000,000 (equivalent to approximately HK\$596,130,263), representing 75% of the amount of RMB700,000,000 (equivalent to approximately HK\$794,840,351) payable by HNA Group to the Tianjin Project Company for its repayment of the Existing External Loans;
- (iii) cash amount of RMB300,000,000 (equivalent to approximately HK\$340,645,865), representing the amount payable by HNA Group to the Tianjin Project Company for its repayment of Shareholder's Loan.

The total consideration shall be fully settled by HNA Group in cash in the following manner:

- (i) an amount of RMB75,000,000 (equivalent to approximately HK\$85,161,466) shall be paid to Forte within 7 business days after execution of the Equity Transfer Agreement (the “**First Instalment**”);
- (ii) an amount of RMB1,001,700,000 (equivalent to approximately HK\$1,137,416,542) shall be paid to Forte on or before the latest date of (a) the 8th business day from the date of the Pledge; (b) the completion of Forte Transfer; and (c) the completion of the Minority Shareholder Transfer (the “**Second Instalment**”); in any event, subject to the provisions of the Equity Transfer Agreement, the Second Instalment shall be paid within 70 days after execution of the Equity Transfer Agreement which can be extended for another 30 days; and
- (iii) an amount of RMB100,090,000 (equivalent to approximately HK\$113,650,815) shall be paid to Forte on or before 5 business days from the date on which (a) the Disposal is completed; and (b) the Tianjin Project Company obtains the property ownership certificate of the Tianjin Project (the “**Third Instalment**”).

In addition, an amount of RMB700,000,000 (equivalent to approximately HK\$794,840,351) (of which RMB525,000,000 (equivalent to approximately HK\$596,130,263) being part of the consideration) shall be paid to the Tianjin Project Company within 5 business days after the payment of the First Instalment and an amount of RMB300,000,000 (equivalent to approximately HK\$340,645,865) shall be paid to the Tianjin Project Company within 15 days (which can be extended for another 15 days) after the payment of the Second Instalment.

The consideration in the amount of RMB2,001,790,000 (equivalent to approximately HK\$2,273,004,951) has been arrived at after arm’s length negotiations between the parties to the Equity Transfer Agreement with reference to: (i) the total asset value of the Tianjin Project Company as at 31 December 2008 in the amount of RMB1,626,485,298.26; (ii) 75% of the Existing External Loans, being an amount of RMB525,000,000 (equivalent to approximately HK\$596,130,263); and (iii) the Shareholder’s Loan in the amount of RMB300,000,000 (equivalent to approximately HK\$340,645,865).

Conditions Precedent

The completion of the Disposal will be conditional upon, among other matters, the fulfilment of the following conditions precedent:

- (i) the Shareholders approving the Disposal;
- (ii) the relevant PRC government authorities approving the Disposal and the obtaining of the relevant written approval by HNA Group, including a new Certificate of Approval for Establishment of Enterprises with Foreign Investment in the PRC in respect of the Tianjin Project Company under the Equity Transfer Agreement; and
- (iii) a new business license indicating that HNA Group is the shareholder of 75% equity interest in the Tianjin Project Company is issued by relevant administrative and management department of State Administration of Industry and Commerce.

Completion

The completion of the Disposal will take place on the first business day after all the conditions precedent above have been duly fulfilled.

Financial Information

The audited net asset attributable to equity holders of the Tianjin Project Company as at 31 December 2008 was RMB201,914,857.22.

The audited net profit/(loss) before and after taxation and extraordinary items of the Tianjin Project Company for the two years ended 31 December 2007 and 2008, prepared in accordance with the generally accepted accounting principles in the PRC, were as follows:

	For the year ended 31 December 2007 RMB	For the year ended 31 December 2008 RMB
Audited net profit/(loss) before taxation and extraordinary items	(14,529,928.08)	(17,596,792.32)
Audited net profit/(loss) after taxation and extraordinary items	(14,529,928.08)	(17,596,792.32)

FINANCIAL EFFECT OF THE EQUITY TRANSFER AGREEMENT

As at the date of this announcement, the Tianjin Project Company is owned as to 75% and 25% by Forte and the Minority Shareholder respectively, and is a subsidiary of Forte which is consolidated in the accounts of Forte. Upon the completion of the Equity Transfer Agreement, the Tianjin Project Company will cease to be a subsidiary of Forte. As a result, the financial results of the Tianjin Project Company will no longer be consolidated in the accounts of Forte.

The directors of Forte and Fosun expect that Forte will record a gain of approximately RMB700,000,000 (equivalent to approximately HK\$794,840,351) on the Disposal. The gain is calculated with reference to the net proceeds from the Disposal deducted by Forte's carrying amount of investment in the Tianjin Project Company, without taking into consideration the effects of tax, trading expenses and minority interests.

The sale proceeds from the Disposal will be used as the working capital of Forte.

Reasons for the Equity Transfer Agreement

The directors of Forte and Fosun consider that the Disposal represents a good opportunity for Forte to liquidate its holding non-residential assets at the prevailing market prices in order to reorganise Forte's assets portfolio and increase Forte's cash inflow.

Hong Kong Listing Rules Implications

Fosun

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Disposal exceed 5% but below 25%, the Disposal constitutes a discloseable transaction of Fosun under Chapter 14 of the Hong Kong Listing Rules.

Forte

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Disposal exceed 25% but less than 75%, the Disposal constitutes a major transaction of Forte under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

Each of Fosun High Technology and Fosun Pharmaceutical Development is a subsidiary of Fosun. Fosun, Fosun High Technology and Fosun Pharmaceutical Development, a closely allied group of Shareholders, hold 325,710,000 H Shares, 1,217,046,150 Domestic Shares and 241,917,615 Domestic Shares, representing approximately 12.88%, 48.12% and 9.56%, respectively, and together hold approximately 70.56% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte as at the date of this announcement.

Forte obtained a written shareholders' approval dated 24 December 2009 in relation to the Disposal from Fosun, Fosun High Technology and Fosun Pharmaceutical Development, a closely allied group of Shareholders, which together hold more than 50% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte, no general meeting is required to be held to consider the Disposal pursuant to Rule 14.44 of the Hong Kong Listing Rules.

General

Fosun

The directors of Fosun are of the view that the terms of the Equity Transfer Agreement (i) have been negotiated on an arm's length basis; and (ii) are on normal commercial terms and are fair and reasonable and in the interests of its shareholders as a whole.

To the best of the knowledge, information and belief of the directors of Fosun having made all reasonable enquiries, there is no other transaction entered into between any member of the Fosun Group and HNA Group and their respective ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Disposal, regarded as a series of transactions and treated as if they are one transaction under Rules 14.22 of the Hong Kong Listing Rules.

Forte

The directors of Forte are of the view that the terms of the Equity Transfer Agreement (i) have been negotiated on an arm's length basis; and (ii) are on normal commercial terms and are fair and reasonable and in the interests of its shareholders as a whole.

To the best of the knowledge, information and belief of the directors of Forte having made all reasonable enquiries, there is no other transaction entered into between any member of the Forte Group and HNA Group and their respective ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Disposal, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Hong Kong Listing Rules.

GENERAL INFORMATION

Fosun

The principal activities of Fosun are: (i) pharmaceuticals; (ii) property development; (iii) steel; (iv) mining and (v) retail, services and strategic investments.

Forte

Forte is a 70.56% owned subsidiary of Fosun. It is principally engaged in the development and sale of high quality commercial and residential properties in the PRC.

HNA Group

HNA Group is a limited liability company incorporated under the laws of the PRC. It is principally engaged in aviation, airport management, hotel, tourist industry and other related industries.

Tianjin Project Company

Tianjin Project Company is a limited liability company incorporated under the laws of the PRC and a subsidiary of Forte. It is principally engaged in the development and sale of Tianjian Project.

OTHERS

A circular containing, among other things, further details of the Disposal will be despatched to the shareholders of Forte within 21 days after the publication of this announcement.

DEFINITIONS

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

“Associates”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Disposal”	the proposed transfer of the Equity Interest from Forte to HNA Group under the Equity Transfer Agreement
“Domestic Shares”	ordinary shares of par value of RMB0.20 each in the share capital of Forte
“Equity Interest”	the 75% equity interest in Tianjin Project Company to be acquired by HNA Group pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	an equity transfer framework agreement dated 24 December 2009 and entered into between Forte, HNA Group and Tianjin Project Company in relation to the Disposal

“Existing External Loans”	loans granted to the Tianjin Project Company by various domestic banks, the total outstanding balance of which is RMB700,000,000 (equivalent to approximately HK\$794,840,351) as at the date of this announcement
“Forte”	Shanghai Forte Land Co., Ltd. (復地(集團)股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability and whose H Shares are listed and traded on the main board of the Hong Kong Stock Exchange
“Forte Group”	Forte and its subsidiaries
“Forte Transfer”	pursuant to the Equity Transfer Agreement, Forte will transfer its 75% shareholding in the Tianjin Project Company to its subsidiary
“Fosun”	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
“Fosun Group”	Fosun and its subsidiaries
“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
“Fosun Pharmaceutical Development”	Shanghai Fosun Pharmaceutical Development Company Limited (上海復星醫藥產業發展有限公司), a limited liability company incorporated under the laws of the PRC
“HNA Group”	HNA Group (海航集團有限公司), a limited liability company incorporated under the laws of the PRC
“H Shares”	ordinary shares of par value of RMB0.20 each in the share capital of Forte which are listed and traded on the main board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Minority Shareholder”	the minority shareholder with 25% shareholding in the Tianjin Project Company
“Minority Shareholder Transfer”	pursuant to the Equity Transfer Agreement, the Minority Shareholder will transfer its shareholding in the Tianjin Project Company to its subsidiary
“Pledge”	pledge to be arranged by the Tianjin Project Company pursuant to the Equity Transfer Agreement

“PRC”	the People’s Republic of China, which for the purposes of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of Forte
“Shareholder’s Loan”	shareholder’s loan in the amount of RMB300,000,000 (equivalent to approximately HK\$340,645,865) advanced by Forte to the Tianjin Project Company
“Tianjin Project”	the land development project in relation to Tianjin Huanmao commercial Centre (天津環貿商務中心) which provides hotel, apartments, merchandise and office services; as at the date of this announcement, the construction work of the Tianjin Project has been completed
“Tianjin Project Company”	Tianjin Forte Puhe Development Co., Ltd. (天津復地浦和發展有限公司), a Chinese-foreign contractual joint venture established under the laws of the PRC and the project company for the Tianjin Project

By Order of the Board
FOSUN INTERNATIONAL LIMITED
GUO GUANGCHANG
Chairman

By Order of the Board
SHANGHAI FORTE LAND CO., LTD.
FAN WEI
Chairman

24 December 2009, Shanghai, the PRC

As at the date of this announcement, the executive directors of Fosun are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetao and Mr. Wu Ping; the non-executive director is Mr. Liu Benren; and the independent non-executive directors are Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.

As at the date of this announcement, the executive directors of Forte are Mr. Fan Wei, Mr. Zhang Hua and Mr. Wang Zhe; the non-executive directors are Mr. Guo Guangchang, Mr. Feng Xiekun and Mr. Chen Qiyu; and the independent non-executive directors are Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan.

Unless otherwise stated, amount in RMB has been translated into HK\$ at the exchange rate of HK\$1.00 to RMB0.88068 for illustration purpose only. No representation has been made that any amount in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

** For identification purpose only*