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FOSUN 复星
復星國際有限公司
FOSUN INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF SHARES IN
KABUSHIKI KAISHA SHINSETSU**

DISPOSAL

On 28 June 2024, Yuhai (an indirect subsidiary of the Company, as the Seller) and YCH16 (as the Purchaser) entered into the Agreement, pursuant to which, the Seller agreed to sell, and the Purchaser agreed to purchase, 49,999 shares of the Target Company (representing 99.998% of the total shares of the Target Company as at the date of the Agreement). The Consideration is JPY40,837,218,888 (subject to the adjustment). Upon the completion of the Disposal, the Seller will no longer hold any shares of the Target Company and the Target Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceeds 5% but all such percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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to the adjustment). Upon the completion of the Disposal, the Seller will no longer hold any shares of the Target Company and the Target Company will cease to be a subsidiary of the Company.

SHARE TRANSFER AGREEMENT

The principal terms of the Agreement are as follows:

Date: 28 June 2024

Parties: Yuhai (as Seller)

YCH16 (as Purchaser)

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The Disposal: Pursuant to the Agreement, the Seller agreed to sell, and the Purchaser agreed to purchase, 49,999 shares of the Target Company (representing 99.998% of the total shares of the Target Company as at the date of the Agreement).

Consideration and payment arrangement: The Consideration for the Disposal is JPY40,837,218,888 (subject to the adjustment). Unless otherwise agreed between the Purchaser and the Seller, the Purchaser shall pay the Consideration in cash in JPY to the Seller on the Closing Date.

Consideration Adjustment

The Seller shall submit the separate balance sheet of the Target Company Group as at the Closing Date (the "**Separate Balance Sheet as at the Closing Date**"), together with the underlying information and basis of calculation, to the Purchaser within 90 days after the Closing Date.

(1) If the amount of net assets in the Separate Balance Sheet as at the Closing Date is less than that specified in the separate balance sheet of the Target Company Group as at the benchmark closing date specified in the Agreement (the "**Benchmark Balance Sheet**"), the Seller shall pay the shortfall amount to the Purchaser as a

Consideration adjustment within 10 business days from the date on which the Separate Balance Sheet as at the Closing Date is finalized.

(2) If the amount of net assets in the Separate Balance Sheet as at the Closing Date exceeds the amount specified in the Benchmark Balance Sheet, the Purchaser shall pay the excess amount to the Seller as a Consideration adjustment within 10 business days from the date on which the Separate Balance Sheet as at the Closing Date is finalized.

If the absolute value of the amount calculated in accordance with the above is less than JPY5 million, the Consideration shall not be adjusted and settled in accordance with the above calculation.

The Consideration was arrived at after arm's length negotiations, which was determined with reference to the following factors: (i) the future development of the Target Company; (ii) the audited total assets as at 31 December 2023 of the Target Company; (iii) the historical EBITDA achievements of the Target Company; and (iv) the factors as set out in the section headed "Reasons for and benefits of the Disposal" below.

Conditions precedent:

The obligations under the Agreement are subject to, among other things, the fulfilment of the following conditions (which may be waived in whole or in part at the sole discretion of the Purchaser and the Seller):

- a) on the Closing Date, the material contents of the representations and warranties of the Purchaser and the Seller in the Agreement are objectively and reasonably believed to be true and correct;
- b) on the Closing Date, the significant matters that shall be performed or complied with in relation to liabilities of the Purchaser and the Seller which shall have been fulfilled on the Closing Date and there shall be no breach of the liabilities on the Closing Date, are objectively and reasonably determined to have no violation; and
- c) the contract between the minority shareholder of the Target Company and the Purchaser relating to the sale of the share in the Target Company held by the minority shareholder is valid and legally signed, and it can be reasonably

foreseen that the transfer of the minority shareholder's share will also be carried out at the same time as the Disposal.

Closing: The Closing Date shall be 28 June 2024 or such date as the Seller and the Purchaser may otherwise agree in writing as the Closing Date.

The Seller shall transfer the shares of the Target Company and deliver the related documents to the Purchaser on the Closing Date, and the Purchaser shall pay the Consideration to the Seller on the Closing Date.

FINANCIAL IMPLICATIONS OF THE DISPOSAL

Upon the completion of the Disposal, the Seller will no longer hold any shares of the Target Company and the Target Company will cease to be a subsidiary of the Company.

It is expected that the Disposal will have a positive impact on Yuyuan and the Company's financial performance. The actual amount of proceeds received from the Disposal will be subject to the final Consideration, as well as factors such as the local legal environment, tax policies, and foreign exchange fluctuations of the transaction. Upon the completion of the Disposal, the actual amount of gain to be recorded from the Disposal will be accounted for using the Hong Kong Financial Reporting Standards by the Company and subject to audit.

Yuyuan intends to use the proceeds from the Disposal for its general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Yuyuan takes the promotion of "oriental lifestyle aesthetics" as its top priority, continues its business streamlining strategy and focuses its resources, and concentrates its strengths in strategically focusing its investments on core industries with high potentials, high growth, high profits and high synergies, gradually forms a culture confidence to lead and create business competitiveness, builds an industrial cluster with unique competitive advantages targeting global family consumption. It is expected that the Disposal will have a positive impact on Yuyuan and the Company's financial performance.

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceeds 5% but all such percentage ratios are less than 25%, the Disposal 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 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 segments.

Seller

Yuhai is a limited liability company incorporated under the laws of Hong Kong. As at the date of the Agreement, it held 99.998% of the total shares of the Target Company, and is a wholly-owned subsidiary of Yuyuan. Yuyuan is 61.85% owned subsidiary of the Company and its A shares are listed on the Shanghai Stock Exchange with stock code 600655.

Purchaser

YCH16 is a limited liability company (Goudou Kaisha) incorporated under the laws of Japan and is principally engaged in the business of shareholding, real estate investment and other investment matters; trading, exchange, retention, leasing of real estate and its management and utilization; and joint ventures and co-operation in domestic and foreign investment undertakings. The sole shareholder of YCH16 is Mr. Suzuki Hiroaki.

Target Company

The Target Company is a corporation (Kabushiki Kaisha) incorporated under the laws of Japan. The scope of business of the Target Company includes the operation of hot spring hotels and restaurants, the sale of goods and mail-order business, the real estate trading business, the tourism business, the entrustment of the operation of hotels, restaurants and other leisure facilities, and other businesses relating to the above. The Target Company holds 100% equity in Kabushiki Kaisha Tomamu Property

and Hoshino Resort Tomamu Corporation. The main asset of Hoshino Resort Tomamu Corporation is the ski resort located in Tomamu, Hokkaido.

The consolidated net profits (both before and after taxation) of the Target Company for the two fiscal years immediately preceding the Disposal in accordance with the PRC Generally Accepted Accounting Principles are as follows:

	For the year ended 31 Decembe	
	2023	2022
	(audited)	(audited)(restated)
	approximately	approximately
	JPY billion	JPY billion
Profit before tax	1.231	-1.598
Profit after tax	0.611	-1.476

The audited consolidated total assets and net assets as at 31 December 2023 of the Target Company were approximately JPY43.840 billion and JPY1.316 billion, respectively.

DEFINITIONS

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

“Agreement”	the share transfer agreement entered into between the Seller and the Purchaser dated 28 June 2024 in respect of the Disposal
“Board”	the board of Directors of the Company
“Closing Date”	28 June 2024 or such date as the Seller and the Purchaser may otherwise agree in writing as the Closing Date
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose shares are listed and traded on the Main Board of the Hong Kong Stock Exchange with stock code of 00656
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration of the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the shares of the Target Company by the Seller to the Purchaser pursuant to the Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“JPY”	JPY, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“Purchaser” / “YCH16”	Godo Kaisha YCH16, a limited liability company (Goudou Kaisha) incorporated under the laws of Japan
“Seller” / “Yuhai”	Yuhai Industrial Company Limited, a limited liability company incorporated under the laws of Hong Kong
“Target Company”	Kabushiki Kaisha Shinsetsu, a corporation (Kabushiki Kaisha) incorporated under the laws of Japan
“Target Company Subsidiaries”	Kabushiki Kaisha Tomamu Property and Hoshino Resort Tomamu Corporation
“Target Group”	the Target Company and Target Company Subsidiaries
“Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城（集團）股份有限公司), established under the laws of the PRC, is a 61.85% owned subsidiary of the Company as at the date of the Agreement whose A shares are listed on the Shanghai Stock Exchange with stock code 600655

“%”

per cent

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

1 July 2024

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 Shupeí 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.