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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares of Fosun International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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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)

**CONNECTED TRANSACTION**  
**ISSUE OF NEW SHARES**  
**UNDER THE SHARE AWARD SCHEME**

**Independent Financial Adviser to the Shareholders of the Company**



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A notice convening the AGM of the Company to be held at 10:00 a.m. on Wednesday, 5 June 2019 at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom 1 & 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong concurrently by video conference as set out in the general mandate circular of the Company and a form of proxy are despatched together with this circular. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

A letter from the Board is set out on pages 4 to 15 of this circular.

A letter from Lego Corporate Finance Limited, the Independent Financial Adviser, containing its advice to the Shareholders is set out on pages 16 to 28 of this circular.

26 April 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2015 Award”	the grant of 4,620,000 Award Shares to 71 Selected Participants in 2015 under the Share Award Scheme
“2016 Award”	the grant of 5,410,000 Award Shares to 69 Selected Participants in 2016 under the Share Award Scheme
“2017 Award”	the grant of 5,275,000 Award Shares to 65 Selected Participants in 2017 under the Share Award Scheme
“2018 Award”	the grant of 5,902,000 Award Shares to 70 Selected Participants in 2018 under the Share Award Scheme
“2019 Award”	the grant of 6,283,000 Award Shares to 92 Selected Participants in 2019 under the Share Award Scheme
“AGM”	the annual general meeting of the Company to be convened and held for considering and approving, among others, the Award and the Specific Mandate
“Announcement”	announcement made on 27 March 2019 in relation to, among others, the issue of new Shares under the Share Award Scheme
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	the award of the Award Shares to the Selected Participants
“Award Shares”	the Shares be awarded to the Selected Participants under the Share Award Scheme, which, for the avoidance of doubt, includes the New Award Shares
“Board”	the board of Directors
“Company”	Fosun International Limited, a company incorporated under the laws of Hong Kong and whose Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 00656)
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Award Shares”	the 309,250 Award Shares which had lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the official currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the AGM to approve the 2019 Award
“Latest Practicable Date”	17 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lego or Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Award Shares”	the Award Shares to be settled by way of issue and allotment of 5,973,750 new Shares pursuant to the Specific Mandate to be obtained in the AGM
“PRC”	the People’s Republic of China
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares under the rules of the Share Award Scheme
“Selected Participants”	the eligible persons selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time, which, for the avoidance of doubt, includes 2015 Award, 2016 Award, 2017 Award, 2018 Award and 2019 Award

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the AGM to issue and allot the New Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed entered into between the Company and the Trustee, to service the Share Award Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	Computershare Hong Kong Trustees Limited
“%”	per cent

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LETTER FROM THE BOARD

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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)

**Directors:**

*Executive Directors:*

Mr. Guo Guangchang (*Chairman*)  
Mr. Wang Qunbin (*Chief Executive Officer*)  
Mr. Chen Qiyu (*Co-President*)  
Mr. Xu Xiaoliang (*Co-President*)  
Mr. Qin Xuetao  
Mr. Wang Can  
Mr. Gong Ping

**Registered Office:**

Room 808  
ICBC Tower  
3 Garden Road  
Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Zhang Shengman  
Mr. Zhang Huaqiao  
Mr. David T. Zhang  
Mr. Yang Chao  
Dr. Lee Kai-Fu

26 April 2019

*To the Shareholders*

Dear Sirs or Madams,

**CONNECTED TRANSACTION**  
**ISSUE OF NEW SHARES**  
**UNDER THE SHARE AWARD SCHEME**

**INTRODUCTION**

Reference is made to the Announcement pursuant to which the Company announces that the Board has resolved to award an aggregate of 6,283,000 Award Shares to 92 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 5,973,750 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 309,250 Award Shares which had lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award. The Trust is an employees' share scheme established for Selected Participants, as at the date of the Announcement and Latest Practicable Date, and the aggregate of the Company's connected persons' interest in such scheme is approximately 48.09% and 48.45%. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee

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## LETTER FROM THE BOARD

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(in its capacity as trustee of the Trust) is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders excluding the Trustee, the Selected Participants under the 2019 Award and their respective associates at the AGM.

The purpose of this circular is to provide you with details of the 2019 Award and the advice from Lego to the Shareholders in relation to the 2019 Award.

### DETAILS OF AWARD OF THE AWARD SHARES

On 27 March 2019, the Board resolved to award an aggregate of 6,283,000 Award Shares to 92 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2019 Award will be settled by way of (i) issue and allotment of 5,973,750 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 309,250 Award Shares which had lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award.

Upon issue and allotment of the New Award Shares, the Trustee will hold the New Award Shares on trust for the Selected Participants and such New Award Shares, together with the Existing Award Shares, shall be transferred to the Selected Participants upon satisfaction of their respective vesting conditions. The Trustee will not have any voting right and the Award Shares held by the Trustee on trust for the Selected Participants will not be counted as shares held by public. The number of Award Shares granted to each of the Selected Participants under the 2019 Award was determined in accordance with their respective contributions to the Group.

### General Information

The information in relation to the award of the 6,283,000 Award Shares, to be settled by way of (i) the issue and allotment of the 5,973,750 New Award Shares; and (ii) 309,250 Award Shares which were lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award to the Selected Participants is set out below:

Securities to be newly issued:	5,973,750 New Award Shares
Securities to be re-awarded:	309,250 Award Shares which were lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award

Pursuant to the Share Award Scheme, the Trustee shall hold any Returned Shares on trust and such Shares may either be applied by the Company towards future Awards. As such, the 309,250 Award Shares which were lapsed before vesting were held by the Trustee on trust, and no separate Independent Shareholders' approval or listing approval is required to be sought in respect of the re-awarded Shares

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## LETTER FROM THE BOARD

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Funds to be raised: No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares

Identity of the allottee(s): The Trustee, which will hold the Award Shares awarded under the 2019 Award in trust in accordance with the Trust Deed for the 92 Selected Participants under the 2019 Award, who are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; and (iii) senior management of the Group's core affiliated enterprises

In general, the Selected Participants should have been with the Group for more than one year as at 31 December 2018 and each of them should have met their respective performance evaluation results for the year ended 31 December 2018

Market price of the Shares: The closing price of the Shares on 27 March 2019 as quoted on the Stock Exchange is HK\$12.86 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 27 March 2019 as quoted on the Stock Exchange is HK\$12.26 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$12.88 per Share

Vesting: Subject to the satisfaction of the vesting criteria and conditions of the 2019 Award, the Award Shares awarded under the 2019 Award shall be transferred to the Selected Participants under the 2019 Award upon expiry of the following vesting periods:

<b>Percentage of Award Shares to be vested</b>	<b>Vesting Date</b>
33%	27 March 2020
33%	27 March 2021
34%	27 March 2022



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## LETTER FROM THE BOARD

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Prior to each of the vesting dates, the Company is entitled to make downward adjustments to the actual amount of Award Shares that will be vested to the respective Selected Participants under the 2019 Award according to their performance at its sole discretion. The Company shall consider, among others, the following factors before adjusting the actual amount of Award Shares:

- a. any material adverse change in the business segments of the Group that the Selected Participant is responsible for overseeing;
- b. whether the behaviour of the Selected Participant has violated the cultural values of the Group;
- c. whether the Selected Participant has been demoted; and
- d. whether there is any failure of the Selected Participant to fulfill the critical tasks requested by the Group.

In the event that any of the Award Shares lapsed before vesting and/or are forfeited in accordance with the terms of the Share Award Scheme (namely, Returned Shares), the Trustee shall hold such Returned Shares and they may be applied towards future Awards. The Board (or a committee of the Board), may also instruct the Trustee to sell Returned Shares and remit all cash and net proceeds of such sale, and all the cash income derived from such Returned Shares to the Company

In the event that the number of Award Shares to be awarded to any Selected Participants is adjusted upward, the Company will comply with the Listing Rules, and make further announcements, obtain Shareholders' approval or listing approval for the Award Shares, as and when appropriate or required under the Listing Rules

Fund raising activities  
in the past 12 months:

The Company has not engaged in any fund raising exercise in the 12 months immediately preceding the Latest Practicable Date

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## LETTER FROM THE BOARD

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### Award to the Connected Persons of the Company

Among those 92 Selected Participants, 18 of the Selected Participants are Directors and directors of significant subsidiaries of the Company and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

Their details are as follows:

<b>Directors</b>	<b>Number of Award Shares</b>
Chen Qiyu	535,000
Xu Xiaoliang	535,000
Qin Xuetao	310,000
Wang Can	310,000
Gong Ping	235,000
Zhang Shengman	25,000
Zhang Huaqiao	25,000
David T. Zhang	25,000
Yang Chao	25,000
Lee Kai-Fu	25,000
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Subtotal	2,050,000
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<b>Directors of significant subsidiaries of the Company</b>	<b>Number of Award Shares</b>
Zhang Houlin	255,000
Li Tao	115,000
Qian Jiannong	70,000
Mu Haining	68,000
Gao Min	68,000
Zhang Xueqing	60,000
Xu Lingjiang	35,000
Pei Yu	35,000
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Subtotal	706,000
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Total	2,756,000
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## LETTER FROM THE BOARD

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### Conditions

The grant of the Award Shares to the Selected Participants under the 2019 Award shall be subject to the following conditions:

- (a) the grant of the listing approval by the Stock Exchange in respect of the New Award Shares; and
- (b) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate 5,973,750 New Award Shares. For the avoidance of doubt, the Stock Exchange has granted approval for the listing of, and permission to deal in, the Existing Award Shares.

### Details of Award Shares

The aggregate of 5,973,750 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.07% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.07% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

## LETTER FROM THE BOARD

As at the Latest Practicable Date and immediately upon the issue of the New Award Shares, the shareholding structure of the Company is as follows:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon the issue of the New Award Shares	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
<b>Substantial Shareholders</b>				
Fosun Holdings Limited	6,044,246,673 <sup>(2)</sup>	70.72%	6,044,246,673 <sup>(2)</sup>	70.67%
Fosun International Holdings Ltd. <sup>(1)</sup>	6,044,246,673 <sup>(2)(3)</sup>	70.72%	6,044,246,673 <sup>(2)(3)</sup>	70.67%
<b>Directors</b>				
Guo Guangchang	6,044,246,673 <sup>(3)</sup>	70.72%	6,044,246,673 <sup>(3)</sup>	70.67%
Chen Qiyu	4,759,900	0.06%	5,294,900	0.06%
Xu Xiaoliang	2,315,650	0.03%	2,850,650	0.03%
Qin Xuetao	5,042,090	0.06%	5,352,090	0.06%
Wang Can	490,000	0.01%	800,000	0.01%
Gong Ping	511,900	0.01%	746,900	0.01%
Zhang Shengman	414,800	0.00%	439,800	0.01%
Zhang Huaqiao	376,350	0.00%	401,350	0.00%
David T. Zhang	76,350	0.00%	101,350	0.00%
Yang Chao	54,800	0.00%	79,800	0.00%
Lee Kai-Fu	19,800	0.00%	44,800	0.00%
<b>Other Selected Participants</b>				
(including Trustee)	11,635,111	0.14%	15,558,861	0.18%
<b>Other public Shareholders</b>	<u>2,476,985,570</u>	<u>28.98%</u>	<u>2,476,985,570</u>	<u>28.96%</u>
<b>Total</b>	<u><u>8,546,928,994</u></u>	<u><u>100%</u></u>	<u><u>8,552,902,744</u></u>	<u><u>100%</u></u>

Notes:

- (1) Fosun International Holdings Ltd. is owned as to 85.29% by Guo Guangchang.
- (2) Fosun International Holdings Ltd. is the beneficial owner of all the issued shares in Fosun Holdings Limited and, therefore Fosun International Holdings Ltd. is deemed, or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.
- (3) Mr. Guo Guangchang is the sole director of Fosun Holdings Limited and Fosun International Holdings Ltd. Mr. Guo Guangchang, by virtue of his ownership of shares in Fosun International Holdings Ltd. as to 85.29%, is deemed or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.

Upon the allotment and issue of all the New Award Shares, the shareholding of the existing public Shareholders of 2,476,985,570 Shares will be diluted from approximately 28.98% to 28.96%. Based on the closing price of HK\$12.88 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value of the 5,973,750 New Award Shares is HK\$76,941,900 and (ii) the aggregate market value of the 6,283,000 Award Shares under the 2019 Award is HK\$80,925,040.

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## LETTER FROM THE BOARD

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The New Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

### Reasons for the Award of the Award Shares

The Company's principal business is to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world. The Health Ecosystem includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness Ecosystem includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle while the Wealth Ecosystem includes three major segments: Insurance, Finance and Investment.

The Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Award Shares to the Selected Participants provides incentives to the Selected Participants and will allow the Group to attract, retain and motivate talents for the continual operation and development of the Group. The award of the Award Shares to the Selected Participants recognizes their continual support to the Group and their effort will promote the Group's future development.

The Group has resolved to grant Award Shares to 92 core personnel which are Selected Participants under the 2019 Award, with a view to further motivate employees to maximize the Company's long-term interests and highlight the principle of performance-based awards so as to create more value for the Group. The Selected Participants under 2019 Award include Directors and the Group's business and functional department heads, backbone employees, and senior management of the Group's core affiliated enterprises who have delivered excellent performance.

Furthermore, there will not be any actual cash outflow by the Group under the award of the Award Shares to provide incentives to the Selected Participants. In this regard, the Directors consider that the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATION

The Award constitutes a connected transaction on the part of the Company. The Trust is an employee's share scheme established for Selected Participants, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 48.45% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the New Award Shares to the Trustee and the grant of the Award Shares to the Selected Participants shall be subject to the approval by the Independent Shareholders (other than the Trustee, the Selected Participants under the 2019 Award and their respective associates) at the AGM of, among others, the following resolutions:

- 1 the grant of a specific mandate for the issue and allotment of the New Award Shares to the Trustee;

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## LETTER FROM THE BOARD

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- 2 the grant of Award Shares to each of the Selected Participants who are also connected persons of the Company; and
- 3 the grant of the Award Shares to the Selected Participants who are not connected persons of the Company.

Pursuant to the Listing Rules, the resolutions proposed at the AGM will be taken by way of poll and an announcement will be made after the AGM on the results of the AGM.

Pursuant to Chapter 14A of the Listing Rules, the Trustee, the Selected Participants under the 2019 Award and their respective associates (holding approximately 0.30% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the AGM of the Company to approve the issue and allotment of the New Award Shares and the Award.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior management, backbone employees, heads of core enterprises and Trustee and their respective associates who are required to abstain from voting on the relevant resolutions at the AGM to approve the issue and allotment of the New Award Shares and the Award are as follows:–

	<b>Number of Shares abstain from voting</b>	<b>Approximate percentage of Shares in issue</b>
<b>Directors</b>		
Chen Qiyu	4,759,900	0.06%
Xu Xiaoliang	2,315,650	0.03%
Qin Xuetang	5,042,090	0.06%
Wang Can	490,000	0.01%
Gong Ping	511,900	0.01%
Zhang Shengman	414,800	0.00%
Zhang Huaqiao	376,350	0.00%
David T. Zhang	76,350	0.00%
Yang Chao	54,800	0.00%
Lee Kai-Fu	19,800	0.00%
<b>Directors of the significant subsidiaries of the Company</b>		
Zhang Houlin	578,500	0.01%
Li Tao	82,500	0.00%
Qian Jiannong	504,100	0.01%
Mu Haining	84,650	0.00%
Gao Min	0	0.00%
Zhang Xueqing	38,511	0.00%
Xu Lingjiang	23,901	0.00%
Pei Yu	26,400	0.00%
<b>Senior management</b>	1,706,570	0.02%
<b>Backbone employees</b>	1,035,379	0.01%
<b>Heads of core enterprises</b>	81,710	0.00%
<b>Trustee</b>	7,472,890	0.09%
<b>Total</b>	25,696,751	0.30%

To the best of the knowledge of the Directors, having made all reasonable enquiries, the Directors, directors of significant subsidiaries of the Company, senior management, backbone employees, heads of core enterprises and the Trustee required to abstain from voting and listed immediately above, control or are entitled to exercise control over all of the Shares held by them. Save for the Trustee, the Selected Participants under the 2019 Award and their respective associates, to the best of the Directors' knowledge,

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## LETTER FROM THE BOARD

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information and belief, no other Shareholders has a material interest in the Award and accordingly none of them is required to abstain from voting on the relevant resolutions to approve the issue and allotment of the New Award Shares and the Award at the AGM.

Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetang, Mr. Wang Can, Mr. Gong Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu have abstained from approving the board resolution on the award of the Award Shares to them under the 2019 Award. Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed.

As all of the independent non-executive Directors are Selected Participants, the Company is of the view that each of the independent non-executive Directors is regarded as having a material interest in the issue of the New Award Shares under the Share Award Scheme. Accordingly, (i) no independent board committee has been formed, and (ii) the Independent Financial Adviser has been appointed to only advise the Independent Shareholders.

### **AGM**

A notice convening the AGM of the Company to be held at 10:00 a.m. on Wednesday, 5 June 2019 at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom 1 & 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong concurrently by video conference as set out in the general mandate circular of the Company and a form of proxy for the AGM are despatched together with this circular. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

### **RECOMMENDATION**

The Directors consider that the issue and allotment of the New Award Shares and the Award of the Award Shares to each of the Selected Participants is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the grant of the specific mandate for the issue and allotment of the New Award Shares and the grant of the Award Shares to the Selected Participants.

Your attention is drawn to the letter from Lego, which contains its advice to the Shareholders in relation to the Award and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Lego is set out on pages 16 to 28 of this circular.



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## LETTER FROM THE BOARD

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### GENERAL

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

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## LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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*The following is the full text of a letter of advice from Lego, the independent financial adviser to the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Shareholders in respect of the grant of the Award Shares to the Selected Participants under the 2019 Award.*



**Lego Corporate Finance Limited**  
Room 1601, 16/F  
China Building  
29 Queen's Road Central  
Hong Kong

26 April 2019

*To the Independent Shareholders*

Fosun International Limited  
Room 808  
ICBC Tower  
3 Garden Road  
Central  
Hong Kong

Dear Sirs or Madams,

### **CONNECTED TRANSACTION ISSUE OF NEW SHARES UNDER THE SHARE AWARD SCHEME**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to the Independent Shareholders in respect of the grant of the Award Shares under the 2019 Award, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 26 April 2019 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 27 March 2019, the Board resolved to award an aggregate of 6,283,000 Award Shares to 92 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2019 Award will be settled by way of: (i) issue and allotment of 5,973,750 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 309,250 Existing Award Shares which had lapsed before vesting under the 2016 Award, 2017 Award and 2018 Award.

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## LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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As at the Latest Practicable Date, the aggregate of 5,973,750 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.07% of the total number of Shares in issue and approximately 0.07% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares. The Selected Participants are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; and (iii) senior management of the Group's core affiliated enterprises who have delivered excellent performance.

As at the date of the Announcement and the Latest Practicable Date, the Trust is an employees' share scheme established for Selected Participants, in which the aggregate of the Company's connected persons' interest in such scheme is approximately 48.09% and 48.45%, respectively. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company and is subject to the reporting, announcement and the shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Trustee, the Selected Participants under the 2019 Award and their respective associates (holding approximately 0.30% of the Shares as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the AGM to approve the issue and allotment of the New Award Shares and the 2019 Award.

As at the Latest Practicable Date, the identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior management, backbone employees, heads of core enterprises and Trustee and their associates who are required to abstain from voting on the resolution at the AGM to approve the issue and allotment of New Award Shares and the 2019 Award are as follows:

	<b>Number of Shares abstain from voting</b>	<b>Approximate percentage of Shares in issue</b>
<b>Directors</b>		
Chen Qiyu	4,759,900	0.06%
Xu Xiaoliang	2,315,650	0.03%
Qin Xuetao	5,042,090	0.06%
Wang Can	490,000	0.01%
Gong Ping	511,900	0.01%
Zhang Shengman	414,800	0.00%
Zhang Huaqiao	376,350	0.00%
David T. Zhang	76,350	0.00%
Yang Chao	54,800	0.00%
Lee Kai-Fu	19,800	0.00%

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	Number of Shares abstain from voting	Approximate percentage of Shares in issue
<b>Directors of the significant subsidiaries of the Company</b>		
Zhang Houlin	578,500	0.01%
Li Tao	82,500	0.00%
Qian Jiannong	504,100	0.01%
Mu Haining	84,650	0.00%
Gao Min	0	0.00%
Zhang Xueqing	38,511	0.00%
Xu Lingjiang	23,901	0.00%
Pei Yu	26,400	0.00%
<b>Senior management</b>	1,706,570	0.02%
<b>Backbone employees</b>	1,035,379	0.01%
<b>Heads of core enterprises</b>	81,710	0.00%
<b>Trustee</b>	7,472,890	0.09%
<b>Total</b>	<u>25,696,751</u>	<u>0.30%</u>

As the independent financial adviser, our role is to give an independent opinion to the Independent Shareholders.

As at the Latest Practicable Date, Lego did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Lego. In the last two years, Lego has acted as the independent financial adviser to the Shareholders in relation to the issue of new shares under the share award scheme (details of which were set out in the circular of the Company dated 26 April 2018). Apart from normal professional fees paid or payable to us in connection with the afore-mentioned appointment and this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the 2019 Award and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were

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## LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. In addition, the Company shall inform the Independent Shareholders of any material change of information in the Circular between the Latest Practicable Date and the date of the AGM.

We consider that we have reviewed the sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, its subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

#### 1. Background of and reasons for the 2019 Award

##### *1.1 Information on the Group*

The Company's principal business is to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world.

The Group has three major ecosystems for the year ended 31 December 2018, namely Health Ecosystem, Happiness Ecosystem and Wealth Ecosystem. The Health Ecosystem includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness Ecosystem includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle while the Wealth Ecosystem includes three major segments: Insurance, Finance and Investment.

The following table summarizes the financial information of the Group for the audited results for the two years ended 31 December 2017 and 31 December 2018 respectively prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) extracted from the annual results announcement of the Company dated 26 March 2019 (“**2018 Annual Results Announcement**”).

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**LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED**

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	<b>For the year ended 31 December</b>		<b>Year-on-year</b>
	<b>2018</b>	<b>2017</b>	<b>change (%)</b>
	<i>RMB million</i> (audited)	<i>RMB million</i> (audited)	
<b>Revenue</b>	109,351.6	88,025.2	24.2%
<b><i>Health Ecosystem</i></b>	29,093.3	22,486.3	29.4%
<b><i>Happiness Ecosystem</i></b>	44,155.3	25,455.6	73.5%
<b><i>Wealth Ecosystem</i></b>	36,878.5	40,746.2	(9.5%)
– Insurance	23,668.5	26,133.3	(9.4%)
– Finance	2,482.7	1,836.2	35.2%
– Investment	10,727.3	12,776.7	(16.0%)
<b>Profit before tax</b>	21,994.6	22,971.0	(4.3%)
<b>Profit for the year</b>	17,009.5	16,796.0	1.3%

As illustrated in the table above, the revenue of the Group amounted to approximately RMB109,351.6 million for the year ended 31 December 2018, representing an increase of approximately 24.2% as compared to that of approximately RMB88,025.2 million for the year ended 31 December 2017. The profit for the year ended 31 December 2018 increased by approximately 1.3% from approximately RMB16,796.0 million for the year ended 31 December 2017 to approximately RMB17,009.5 million for the year ended 31 December 2018. Such increase was mainly due to the growth in the Health Ecosystem and the Happiness Ecosystem, mitigated by the slight decline in the Wealth Ecosystem.

The revenue of the Health Ecosystem increased from approximately RMB22,486.3 million for the year ended 31 December 2017 to approximately RMB29,093.3 million for the year ended 31 December 2018, representing a growth of approximately 29.4%. According to the 2018 Annual Results Announcement, the increase in the revenue of the Health Ecosystem was mainly attributable to (i) 60 products launched and more than 550,000 customers has been already accumulated by Fosun United Health Insurance Company Limited, where its insurance income generated nationwide has amounted to RMB520.1 million, representing an increase of 782.0% for the year ended 31 December 2018; and (ii) maternity and infant business in Health Ecosystem of the Group, such as Babytree, one of the largest and most active maternity and child-focused community platforms in China and Qinbaobao, matures and grows with a unique value positioning.

The revenue of the Happiness Ecosystem increased from approximately RMB25,455.6 million for the year ended 31 December 2017 to approximately RMB44,155.3 million for the year ended 31 December 2018, representing a growth of approximately 73.5%. According to the 2018 Annual Results Announcement, the increase in revenue of the Happiness Ecosystem was mainly attributable to the revenue of Yuyuan consolidated into the financial statements of the Group after the completion of the reorganization, as well as the revenue increase brought by the business expansion of Club Med and the opening of Atlantis Sanya of FTG.

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### *1.2 Reasons for the adoption of the Share Award Scheme*

On 27 March 2019, the Board resolved to award an aggregate of 6,283,000 Award Shares to 92 Selected Participants under Share Award Scheme. The Selected Participants are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; and (iii) senior management of the Group's core affiliated enterprises.

As set out in the Letter from the Board, in general, such Selected Participants should have been with the Group for more than one year as at 31 December 2018 and each of them should have met their respective performance evaluation results for the year ended 31 December 2018. As at the Latest Practicable Date, the aggregate 5,973,750 New Award Shares to be issued and allotted to the Selected Participants represent approximately 0.07% of the total number of Shares in issue and approximately 0.07% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

As set out in the Letter from the Board, the Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Award Shares to the Selected Participants provides incentives to the Selected Participants and will allow the Group to attract, retain and motivate talents for the continual operation and development of the Group. The award of the Award Shares to the Selected Participants recognizes their continual support to the Group and their effort that will promote the Group's future development.

According to the 2018 Annual Results Announcement, the purposes of the Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain the eligible persons to make contributions to the long-term growth and profits of the Group. Therefore, as set out in the Letter from the Board, the Group has resolved to grant Award Shares to 92 core personnel which are Selected Participants under the 2019 Award, with a view to further motivate employees to maximize the Company's long-term interests and highlight the principle of performance-based awards so as to create more value for the Group. The Selected Participants under 2019 Award include Directors and the Group's business and functional department heads, backbone employees and senior management of the Group's core affiliated enterprises who have met their respective performance evaluation results for the year ended 31 December 2018.

Furthermore, there will not be any actual cash outflow by the Group under the award of the Award Shares to provide incentives to the Selected Participants. In this regard, the Directors consider that the terms and conditions of the 2019 Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have also discussed with the management of the Company regarding the benefits of the 2019 Award as an incentive scheme. According to the management of the Company, they have considered several methods of providing incentives to the Selected Participants, including but not limited to performance bonus, carried interest as well as the 2019 Award. After careful consideration of the various alternatives, the Directors consider the 2019 Award to be the most appropriate given that, as opposed to the other alternatives, the 2019 Award will enable the

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Company to prevent cash outflow while allowing added incentives to the Selected Participants to make contribution to the Group. In addition, the economic benefits of the 2019 Award are dependent on the improvement in the performances of the Group and hence the Selected Participants can only benefit when all the Shareholders are also in a position to benefit, the Directors are thus of the view that the 2019 Award will further align the interests of the Selected Participants with the Company together with the Shareholders.

In view of the foregoing reasons for and possible benefits of the 2019 Award to the Selected Participants, we are of the opinion that the 2019 Award to the Selected Participants is in the interests of the Company and the Shareholders as a whole.

### 2. Principal terms of the 2019 Award

The grant of the 6,283,000 Award Shares to the Selected Participants of which 5,973,750 New Award Shares shall be subject to (a) the grant of the listing approval by the Stock Exchange in respect of the New Award Shares; and (b) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

#### *Vesting period of the Award Shares under the 2019 Award*

Subject to the satisfaction of the vesting criteria and conditions of the 2019 Award, the Award Shares awarded under the 2019 Award shall be transferred to the Selected Participants upon expiry of the following vesting period: (i) 33% vesting on 27 March 2020; (ii) 33% vesting on 27 March 2021; and (iii) 34% vesting on 27 March 2022. On each of the above vesting dates, the Company is entitled to adjust the actual amount of Award Shares that can be vested to the respective Selected Participants under the 2019 Award according to their performance at its sole discretion.

The Company shall consider the performance for each Selected Participant before adjusting the actual amount of Award Shares. According to our discussion with the management of the Company, we understand that the Board adopts the 2019 Award after considering (i) the market practice of H-share listed companies and other comparable peer companies' practices; and (ii) the talent retention period in determining the vesting period of the Award Shares.

To assess the fairness and reasonableness on the adoption of the 2019 Award and the vesting period of the Award Shares, we have, to our best effort and knowledge, identified 12 comparable companies which are listed on the Main Board of the Stock Exchange and had announced the grant of awarded shares to their respective employees, senior management and/or directors in the 6-month period immediately before the Board resolved to award Awarded Shares (i.e. the period from 28 September 2018 to 27 March 2019) (the "**Comparable Grants**"). Shareholders should note that the business, operations and financial performance of the companies offering the Comparable Grants are not the same as the Company and we have not conducted any in-depth investigation into the businesses and operations of the companies offering the Comparable Grants. However, we consider that the Comparable Grants could



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provide the Independent Shareholders with a general reference of companies listed on the Main Board of the Stock Exchange granting awarded shares and the length of the vesting period. Set out below is a comparison of the Comparable Grants:

Company name (Stock Code)	Date of announcement	Grantee(s)	Vesting date/period
VCREDIT Holdings Limited (Stock Code: 2003)	26 March 2019	certain grantees, including two connected persons	25% on 25 March 2020 25% on 25 March 2021 25% on 25 March 2022 25% on 25 March 2023
SITC International Holdings Company Limited (Stock Code: 1308)	25 March 2019	552 grantees, including nine connected persons	25 March 2022 or an earlier date
IGG Inc. (Stock Code: 799)	20 March 2019	certain grantees, including five connected persons	25% on 25 March 2020 25% on 25 March 2021 25% on 25 March 2022 25% on 25 March 2023
WuXi Biologics (Cayman) Inc. (Stock Code: 2269)	19 March 2019	11 grantees, including five connected persons	Not disclosed
Top Education Group Ltd (Stock Code: 1752)	28 February 2019	two connected persons	Not disclosed
SmarTone Telecommunications Holdings Limited (Stock Code: 315)	31 January 2019	303 grantees, including eight connected persons	30% on 31 January 2020 30% on 31 January 2021 40% on 31 January 2022
Galaxy Entertainment Group Limited (Stock Code: 27)	28 December 2018	certain grantees, including six connected persons	1/3 on 28 December 2019 1/3 on 28 December 2020 1/3 on 28 December 2021
Fullshare Holdings Limited (Stock Code: 607)	14 December 2018	46 grantees, including two connected persons	On the date falling the 12th month from 14 December 2018
Next Digital Limited (Stock Code: 282)	26 Nov 2018	two connected persons	Upon fulfilment of certain vesting conditions

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Company name (Stock Code)	Date of announcement	Grantee(s)	Vesting date/period
Jacobson Pharma Corporation Limited (Stock Code: 2633)	16 October 2018	certain grantees including connected persons	23 January 2019
Samsonite International S.A. (Stock Code: 1910)	11 October 2018	certain grantees, including 11 connected persons	Time based share award: 1/3 on 11 October 2019 1/3 on 11 October 2020 1/3 on 11 October 2022  Performance based share award: 11 October 2021, subject to achievement of the performance related vesting conditions
Sino-i Technology Limited (the “Sino-i”) (Stock Code: 250)	9 October 2018	certain grantees, including three connected persons	For a director of Sino-i: Upon fulfilment of certain financial performance related vesting conditions for each of relevant financial year until 30 June 2029  For directors of certain subsidiaries of Sino-i: Upon fulfilment of certain financial performance related vesting conditions for each of relevant financial year until 30 June 2026
The Company	27 March 2019	92 grantees, including 18 connected persons	33% on 27 March 2020 33% on 27 March 2021 34% on 27 March 2022

As shown from the above table, the vesting period of the Comparable Grants mainly ranged from approximately three years to 10 years. The vesting period of 2019 Award is three years which falls within the range of the Comparable Grants and is in line with the market. We, concur with the Directors that the terms of the 2019 Award are fair and reasonable.

### ***Forfeiture of the Award Shares under the 2019 Award***

According to the 2019 Award, any outstanding Award Shares and related income derived from the Award Shares not yet vested shall be immediately forfeited if the Selected Participant ceases to be an eligible person under the Share Award Scheme by reasons of, among others, (i) termination of the Selected Participant’s employment or early termination of

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the contractual engagement with the Group by reasons of misconduct or otherwise pursuant to law or employment or engagement contract; (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy or unsatisfactory performance; (iii) resignation of the Selected Participant's employment; and (iv) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their sole discretion. Shareholders may refer to the sub-section headed "12. Cessation as an Eligible Person" as contained in the announcement of the Company dated 25 March 2015 for further details of the clauses leading to the Award Shares under the 2019 Award being forfeited.

### *Market price of the Award Shares under the 2019 Award*

Based on the closing price of HK\$12.86 per Share as quoted on the Stock Exchange as at 27 March 2019, being the date of the Announcement, and the closing price of HK\$12.88 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the aggregate market value of the Award Shares under the 2019 Award was HK\$80,799,380 and HK\$80,925,040. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

### *2019 Award to the Connected Persons of the Company*

Set out below are the identities of the connected persons of the Company and the details of the 2019 Award:

<b>Directors</b>	<b>Position</b>	<b>Length of services in the Group</b>	<b>Number of Award Shares</b>
Chen Qiyu	Co-President & Executive Director	25 years	535,000
Xu Xiaoliang	Co-President & Executive Director	21 years	535,000
Qin Xuetao	Executive Director	24 years	310,000
Wang Can	Executive Director	6 years	310,000
Gong Ping	Executive Director	8 years	235,000
Zhang Shengman	Independent non-executive Director	12 years	25,000
Zhang Huaqiao	Independent non-executive Director	7 years	25,000
David T. Zhang	Independent non-executive Director	7 years	25,000
Yang Chao	Independent non-executive Director	4 years	25,000
Lee Kai-Fu	Independent non-executive Director	2 year	25,000

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Directors of the significant subsidiaries of the Company	Position	Length of services in the Group	Number of Award Shares
Zhang Houlin	Director of Forte ( <i>Note 1</i> )	19 years	255,000
Li Tao	Director of Fidelidade ( <i>Note 2</i> )	2 year	115,000
Qian Jiannong	Director of FTG ( <i>Note 3</i> )	9 years	70,000
Mu Haining	Director of Fosun Pharma ( <i>Note 4</i> )	5 years	68,000
Gao Min	Director of Yuyuan ( <i>Note 5</i> )	12 years	68,000
Zhang Xueqing	Director of Fosun Pharma ( <i>Note 4</i> )	5 years	60,000
Xu Lingjiang	Director of Fidelidade ( <i>Note 2</i> )	5 years	35,000
Pei Yu	Director of Fidelidade ( <i>Note 2</i> )	6 years	35,000

*Notes:*

1. Forte refers to Shanghai Forte Land Co., Ltd..
2. Fidelidade refers to Fidelidade-Companhia de Seguros, S.A..
3. FTG refers to Fosun Tourism Group.
4. Fosun Pharma refers to Shanghai Fosun Pharmaceutical (Group) Co., Ltd..
5. Yuyuan refers to Shanghai Yuyuan Tourist Mart Co., Ltd..

Forte, Fidelidade, FTG, Fosun Pharma, and Yuyuan are all significant subsidiaries of the Company under Chapter 14A of the Listing Rules.

Based on our discussion with the Company, we understand that the Board has given due consideration to various factors, including the importance of work position and internal grading, market benchmarking results, individual performance, historical contribution level to the Company and years of services of each Selected Participant in determining the number of the Award Shares under the 2019 Award to be granted. In this relation, we have further enquired into the Company regarding the background, working experience and the past contribution of the Selected Participants towards the Group. Based on the relevant information provided by the Company, we noted that the Selected Participants (i) have extensive involvement in relation to the Group's operations and/or business development (save for the independent non-executive Directors); (ii) most of the Selected Participants have joined the Group for more than one year; (iii) have significant contribution to the Group's business development; and/or (iv) are currently in charge of executive functions in the Company or its subsidiaries (save for the independent non-executive Directors). As advised by the Directors, some of the Selected Participants are key personnel providing support for business development and/or daily operations of the Group, and they have made significant contribution to the Group in the past and are expected to continue to contribute to the Group in the future. In this relation, we concur with the Directors that the expertise and experience of the Selected Participants will be valuable and essential to the future development of the Group.

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Having considered that (i) the number of the Award Shares under the 2019 Award to be granted to the Selected Participants were determined based on the Selected Participants' length of service, past performance and the past and expected contributions to the Group; (ii) the relevant Selected Participants (including Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao, Mr. Wang Can, Mr. Gong Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu) have abstained from approving the relevant board resolution on the award of the Award Shares to them under 2019 Award; (iii) the important roles (save for the independent non-executive Directors) of the Selected Participants in the business development and/or daily operations of the Group; (iv) the vesting period of the Award Shares would provide incentives for the Selected Participants to retain them for the continual operation and development of the Group (save for the independent non-executive Directors) and fall within the range of Comparable Grants and is in line with the market; and (v) prior to the vesting dates, the Award Shares will be forfeited or subject to downward adjustments to the actual number of Award Shares if the Selected Participants fails to perform or cease to be an eligible person under the 2019 Award by reasons of, among others, termination of the Selected Participant's employment or contractual engagement with the Group by reasons of misconduct, redundancy or unsatisfactory performance, we are of the view that the terms of the 2019 Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned, and the 2019 Award is in the interest of the Company and the Shareholders as a whole.

### 3. Financial effects of the 2019 Award

After granting of the Award Shares under the 2019 Award to the Selected Participants, the value of such Award would be allocated and charged as expenses of the Group for the relevant financial year during the vesting period. No fund will be raised as a result of the issue and allotment of the New Award Shares.

### RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that although the allotment and issue of 2019 Award is not in the ordinary and usual course of business of the Group, the terms of the issue and allotment of the New Award Shares and the 2019 Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and the issue and allotment of the New Award Shares and the 2019 Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the issue and allotment of the New Award Shares and the grant of the Award Shares to the Selected Participants.

Yours faithfully,  
For and on behalf of  
**Lego Corporate Finance Limited**  
**Gary Mui**  
*Chief Executive Officer*

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*Mr. Gary Mui is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 20 years of experience in the finance and investment banking industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules were as follows:

### (1) Long positions in the Shares, underlying shares and debentures of the Company

Name of Director/ chief executive	Class of Shares	Number of Shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	6,044,246,673 <sup>(1)</sup>	Corporate	70.72%
Chen Qiyu	Ordinary	17,418,000	Individual	0.20%
Xu Xiaoliang	Ordinary	14,985,000	Individual	0.18%
Qin Xuetang	Ordinary	15,797,640	Individual	0.18%
Wang Can	Ordinary	10,035,000	Individual	0.12%
Gong Ping	Ordinary	9,935,000	Individual	0.12%
Zhang Shengman	Ordinary	480,000	Individual	0.01%
Zhang Huaqiao	Ordinary	430,000	Individual	0.01%
David T. Zhang	Ordinary	130,000	Individual	0.00%
Yang Chao	Ordinary	120,000	Individual	0.00%
Lee Kai-Fu	Ordinary	85,000	Individual	0.00%

## (2) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name of Director/chief executive	Name of associated corporation	Class of shares	Number of shares/Amount of debentures	Type of interests	Approximate percentage of class shares in issue/debentures
Guo Guangchang	Fosun Holdings	Ordinary	1	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	85.29%
	Fosun Pharma	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
		A Shares <sup>(2)</sup>	938,095,290	Corporate	46.65%
		H Shares	30,933,500	Corporate	5.60%
	Sisram Medical Ltd.	Ordinary	330,558,800	Corporate	74.76%
FTG	Ordinary	1,015,389,932	Corporate	82.32%	
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Pharma	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
	FTG	Ordinary	1,478	Individual	0.00%
Xu Xiaoliang	FTG	Ordinary	2,328	Individual	0.00%
Qin Xuetao	Fosun Pharma	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
	Fortune Star (BVI) Limited	N/A	2,000,000	Individual	0.14%
Wang Can	FTG	Ordinary	829	Individual	0.00%
Gong Ping	FTG	Ordinary	988	Individual	0.00%

*Notes:*

- (1) Pursuant to Division 7 of Part XV of the SFO, 6,044,246,673 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings Limited (“**Fosun Holdings**”) and Fosun International Holdings Ltd. (“**Fosun International Holdings**”).
- (2) A Shares mean the equity securities listed on the Shanghai Stock Exchange.
- (3) Fosun Pharma refers to Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
- (4) FTG refers to Fosun Tourism Group

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules.



### 3. DIRECTORS' INTERESTS

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors or chief executive of the Company and their respective associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

### 4. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

#### Long positions in the Shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial Shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings Limited	6,044,246,673 <sup>(2)</sup>	70.72%
Fosun International Holdings Ltd. <sup>(1)</sup>	6,044,246,673 <sup>(2)(3)</sup>	70.72%

*Notes:*

- (1) Fosun International Holdings Ltd. is owned as to 85.29% and 14.71% by Mr. Guo Guangchang and Mr. Wang Qunbin, respectively.
- (2) Fosun International Holdings Ltd. is the beneficial owner of all the issued shares in Fosun Holdings Limited and, therefore Fosun International Holdings Ltd. is deemed, or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.

- (3) Mr. Guo Guangchang is the sole director of Fosun Holdings Limited and Fosun International Holdings Ltd. Mr. Guo, by virtue of his ownership of shares in Fosun International Holdings Ltd. as to 85.29%, is deemed or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

#### **6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited consolidated accounts of the Group were made up.

#### **7. MATERIAL LITIGATION**

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

#### **8. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Lego Corporate Finance Limited	A licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Lego had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Lego was not interested, directly or indirectly, in any assets which had since 31 December 2018 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

Lego has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection during normal business hours at the registered address of the Company in Hong Kong at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong from the date of this circular up to and including 5 June 2019:

- (a) a copy of the Share Award Scheme;
- (b) the letter from Lego to the Shareholders in respect of the issue of new Shares under the Share Award Scheme; and
- (c) the letter of consent referred to the paragraph headed “Qualification and Consent of Expert” in this appendix.