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If you have sold or transferred all your shares in Fosun International Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED ADOPTION
OF THE FTG SHARE OPTION SCHEME**

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 30 October 2019 at 39th Floor, Tower S1, the Bund Finance Center, 600 Zhongshan No. 2 Road (E), Huangpu District, Shanghai, the PRC as set out in this circular and a form of proxy for the EGM are despatched together with this circular.

Whether or not you are able to attend the EGM, 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 EGM 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.

8 October 2019

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DEFINITIONS

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

“Adoption Date”	the date on which the FTG Share Option Scheme is approved and adopted in accordance with the resolutions of the Shareholders at the EGM and the FTG Shareholders at the general meeting of FTG to be passed on 30 October 2019 and 27 November 2019, respectively
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 39th Floor, Tower S1, the Bund Finance Center, 600 Zhongshan No. 2 Road (E), Huangpu District, Shanghai, the PRC on Wednesday, 30 October 2019, at 10:00 a.m. or any adjournment thereof
“FTG”	Fosun Tourism Group (復星旅游文化集團), a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 01992)
“FTG Board”	the board of directors of FTG

DEFINITIONS

“FTG Director(s)”	the director(s) of FTG
“FTG Eligible Participant(s)”	any directors (including executive directors, non-executive directors and independent non-executive directors, where applicable) and employees of any member of the FTG Group and any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the FTG Group who the FTG Board considers, in its sole discretion, have contributed or will contribute to the FTG Group
“FTG Existing Scheme”	the existing share option scheme as adopted by the FTG Board on 29 December 2017 and approved by the ordinary resolutions passed at the extraordinary general meeting of the Company on 23 February 2018, the principal terms of the which are set out in the circular of the Company dated 1 February 2018
“FTG Group”	FTG and its subsidiaries
“FTG Share Award Plan”	the share award plan of FTG adopted by the FTG Board on 19 August 2019, as amended from time to time
“FTG Share Option Scheme”	the share option scheme of FTG proposed to be adopted at the EGM and the general meeting of FTG, a summary of the principal terms of which is set out in the appendix to this circular
“FTG Share(s)”	ordinary share(s) in the share capital of FTG
“FTG Shareholder(s)”	the holder(s) of the FTG Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

FOSUN 复星
復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

Executive Directors:

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

8 October 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION
OF THE FTG SHARE OPTION SCHEME**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the ordinary resolution to be proposed at the EGM for the adoption of the FTG Share Option Scheme and to seek your approval of such ordinary resolution at the EGM.

PROPOSED ADOPTION OF THE FTG SHARE OPTION SCHEME

On 27 August 2019 and 19 August 2019, the Board and the FTG Board have respectively resolved to propose the adoption of the FTG Share Option Scheme to be approved and adopted by their respective shareholders.

LETTER FROM THE BOARD

The purpose of the FTG Share Option Scheme is to enable the FTG Group to grant options to the FTG Eligible Participants as incentives or rewards for their contribution to the FTG Group. The Directors believe the FTG Share Option Scheme will enable the FTG Group to reward the employees, the FTG Directors and other FTG Eligible Participants for their contributions to the FTG Group. The FTG Directors will assess the eligibility of the FTG Eligible Participants, particularly the employees and directors of the FTG Group, based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the FTG Group during the financial year or in the future. In addition, the FTG Directors believe that the grant of share options to the FTG Eligible Participants other than employees and directors of the FTG Group is necessary and appropriate. The success of the FTG Group not only depends on the contributions by the employees and directors of the FTG Group, but also requires the co-operations and contributions from parties who play a part in the business and operations of the FTG Group, including advisors, consultants, customers, suppliers of goods or services of the FTG Group. It is therefore in line with modern commercial practice to align the interests of such parties with those of the FTG Group and to maintain good business relationships with such parties. The grant of share options to such parties is an appropriate method of achieving such goal, as options will offer incentives for such parties to provide more valuable advices and improved services to the FTG Group, to offer more stable and quality supplies to the FTG Group and/or to maintain business relationship with the FTG Group, thereby benefiting the long-term growth of the FTG Group.

Given that the FTG Directors are entitled to determine the eligibility of the FTG Eligible Participants, such as the performance conditions, or targets to be achieved (in case of employees or directors of the FTG Group) and potential and/or actual contribution to the business affairs of and benefits to the Group (in case of the FTG Eligible Participants other than employees and directors of the FTG Group), as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the FTG Directors, it is expected that grantees of an option will make an effort to contribute to the development of the FTG Group so as to bring about an increased market price of the FTG Shares in order to capitalize on the benefits of the options granted and in turn benefiting FTG and the Company and their respective shareholders as a whole.

Equity compensation, including provision of long-term share-based incentives to participants, is commonly done in public companies. It is also in line with modern commercial practice for public companies to adopt parallel share-based incentive schemes to offer them with discretion to link the value of the companies with the interests of the participants thereunder, enabling those participants and the companies to develop together and promote the corporate culture of the companies. The FTG Share Award Plan was adopted by the FTG Board on 19 August 2019. The FTG Share Option Scheme will be in parallel with the FTG Share Award Plan and other share-based incentives which may be adopted by the FTG from time to time. The FTG Board has the sole discretion to choose between the FTG Share Option Scheme

LETTER FROM THE BOARD

and the FTG Share Award Plan. The FTG Board believes that the parallel share-based incentive schemes will provide it with greater flexibility under particular circumstances of each grant and facilitate the purposes of FTG Share Option Scheme and the FTG Share Award Plan and offer meaningful incentives to the participants to contribute to the business performance of the FTG Group. Based on the foregoing, the Board considered such arrangement is fair and reasonable, and in the interest of the Company and FTG and their respective shareholders. For the purpose, target participants and principal terms of the FTG Share Award Plan, please refer to the announcement of FTG dated 19 August 2019.

The FTG Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules and is subject to the approval by the FTG Shareholders. As FTG is a subsidiary of the Company, the adoption of the FTG Share Option Scheme is also subject to the approval by the Shareholders. Accordingly, the FTG Share Option Scheme would only take effect upon the approval by the Shareholders at the EGM as well as the approval by the FTG Shareholders at the general meeting of FTG.

The rules of the FTG Share Option Scheme provide that the FTG Board may determine, at its sole discretion, such term(s) on the grant of an option. This determination may vary on a case by case basis but no such term(s) shall be imposed and the result of which will be to the advantage of the FTG Eligible Participants. The basis for determination of the exercise price is also specified precisely in the rules of the FTG Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of FTG and encourage the FTG Eligible Participants to acquire proprietary interests in FTG and in turn benefiting FTG and the Company and their respective shareholders as a whole.

As at the Latest Practicable Date, under the FTG Existing Scheme, 44,555,517 options were granted of which 87,210 options were exercised, 1,044,030 options had lapsed and 43,424,277 options were issued which remained outstanding. Save for the outstanding options as disclosed above, as at the Latest Practicable Date, there were no outstanding options, warrants or convertible securities which entitle the holders to subscribe for the FTG Shares. No further option has been granted or will be granted under the FTG Existing Scheme since 14 December 2018, being the date that the FTG Shares were listed and traded on the Main Board of the Stock Exchange.

Unless otherwise approved by the Shareholders and the FTG Shareholders, the maximum number of the underlying FTG Shares in respect of which options may be granted under the FTG Share Option Scheme shall not exceed 5% of the FTG Shares in issue on the Adoption Date (representing 61,752,269 FTG Shares as at the Latest Practicable Date, assuming that there is no change in the issued share capital of FTG between the period from the Latest Practicable Date and the Adoption Date), and, when aggregated with the maximum number of FTG Shares in respect of any options to be granted under any other share option scheme of FTG (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the FTG Shares in issue on the Adoption Date (or of the refreshment of the 10% limit).

LETTER FROM THE BOARD

The above maximum number is subject to the condition that the total maximum number of FTG Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the FTG Share Option Scheme and any other options granted and yet to be exercised under any other share option scheme of FTG shall not exceed 30% of the FTG Shares in issue from time to time. No option may be granted under the FTG Share Option Scheme and no options may be granted under any other share option scheme of FTG if it will result in such limit being exceeded.

As at the Latest Practicable Date, (i) no option has been granted by FTG under the FTG Share Option Scheme; and (ii) FTG did not have any plan to grant any options and had not identified any FTG Eligible Participant to whom it would make an offer to take up an option under the FTG Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all the options that can be granted under the FTG Share Option Scheme as if they had been granted at the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such options cannot be determined. The Directors believe that any statement regarding the value of the options that can be granted under the FTG Share Option Scheme as at the Latest Practicable Date will not be meaningful to the Shareholders, since the options to be granted shall not be assignable, and no holder of the options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any option. The variables which are crucial for the determination of the value of such options include the exercise price for the FTG Shares to be issued upon the exercise of the options, the timing of the grant of such options, whether or not such options, if granted, will be exercised by the grantees of FTG, interest rate, expected volatility and other variables. As no options had been granted as at the Latest Practicable Date under the FTG Share Option Scheme, certain variables are not available for calculating the value of the options thereunder. Thus, the Directors are of the view that the value of the options that can be granted pursuant to the FTG Share Option Scheme depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the options will not be meaningful and may be misleading to the Shareholders in the circumstance.

The FTG Board will be responsible for administering the FTG Share Option Scheme. There is no trustee appointed for the purposes of the FTG Share Option Scheme as at the Latest Practicable Date. In the event that a trustee is appointed in respect of the FTG Share Option Scheme in the future, FTG will ensure that no FTG Director will become such a trustee or has any direct or indirect interest in such a trustee.

The FTG Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the FTG Shareholders at the general meeting of FTG approving the adoption of the FTG Share Option Scheme and authorizing the FTG Directors to grant options to subscribe for FTG Shares thereunder and to allot and issue the FTG Shares pursuant to the exercise of any options granted thereunder;

LETTER FROM THE BOARD

- (b) the passing of an ordinary resolution by the Shareholders at the EGM approving the adoption of the FTG Share Option Scheme; and
- (c) the Listing Committee granting approval of the listing of, and permission to deal in, the FTG Shares to be issued pursuant to the exercise of the options under the FTG Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the FTG Shares to be issued pursuant to the exercise of the options to be granted under the FTG Share Option Scheme.

A summary of the principal terms of the FTG Share Option Scheme is set out in Appendix to this circular.

A copy of the FTG Share Option Scheme will be available for inspection at the Company's principal place of business at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong during normal business hours from 9:00 a.m. to 6:00 p.m. on any Business Day from the date of this circular up to and including the date of the EGM.

EXTRAORDINARY GENERAL MEETING

The notice of the EGM, which contains the Shareholders' resolution(s) required to approve and adopt the FTG Share Option Scheme, is accompanied with this circular. As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the FTG Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

A form of proxy for use at the EGM is enclosed. If you are not able to attend the EGM, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment of it. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

The register of members of the Company will be closed from Monday, 28 October 2019 to Wednesday, 30 October 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the EGM to be held on Wednesday, 30 October 2019, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 25 October 2019.

LETTER FROM THE BOARD

Under Rule 13.39(4) of the Listing Rules, vote(s) of Shareholders at general meeting(s) must be taken by poll. As such, the chairman of the EGM shall pursuant to the Articles demand each of the resolutions to be proposed at the EGM be put to the vote by way of a poll.

An announcement will be made by the Company following the conclusion of the EGM to inform you of the results of the EGM.

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 Company. The Directors, having made all reasonable enquiries, 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.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the proposed adoption of the FTG Share Option Scheme is in the best interests of the Company and the Shareholders as a whole, and therefore recommend that the Shareholders vote in favour of the resolution to be proposed at the EGM.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

The following is a summary of the principal terms of the FTG Share Option Scheme to be approved and adopted at the EGM and proposed to be adopted at the general meeting of FTG.

(A) PURPOSE

The purpose of the FTG Share Option Scheme is to enable the FTG Group to grant options to the FTG Eligible Participants as incentives or rewards for their contribution to the FTG Group. The Directors believe the FTG Share Option Scheme will enable the FTG Group to reward the employees, the FTG Directors and other FTG Eligible Participants for their contributions to the FTG Group. Given that the FTG Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the FTG Directors, it is expected that grantees of an option will make an effort to contribute to the development of the FTG Group so as to bring about an increased market price of the FTG Shares in order to capitalize on the benefits of the options granted and in turn benefiting FTG and the Company and their respective shareholders as a whole.

(B) WHO MAY JOIN

The FTG Directors (which expression shall, for the purpose of this Appendix, include a duly authorized committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the FTG Board (which expression shall, for the purpose of this Appendix, include a duly authorized committee thereof) considers, in its sole discretion, have contributed or will contribute to the FTG Group, to take up options to subscribe for FTG Shares:

- (1) any directors (including executive directors, non-executive directors and independent non-executive directors, where applicable) and employees of any member of the FTG Group; and
- (2) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the FTG Group.

The basis of eligibility of any of the above classes of FTG Eligible Participants to the grant of any options shall be determined by the FTG Board from time to time on the basis of their contribution to the development and growth of the FTG Group, based on the FTG Board's assessment of their individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard; or where appropriate, contribution to the profits of the FTG Group during the financial year.

(C) MAXIMUM NUMBER OF FTG SHARES

The maximum number of FTG Shares which may be issued in respect of which options may be granted under the FTG Share Option Scheme shall not exceed 5% of the FTG Shares in issue on the Adoption Date (representing 61,752,269 FTG Shares as at the Latest Practicable Date, assuming that there is no change in the issued share capital of FTG between the period from the Latest Practicable Date and the Adoption Date), and, when aggregated with the maximum number of FTG Shares which may be issued in respect of any options to be granted under any other share option scheme of FTG (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the FTG Shares in issue on the Adoption Date (the “**Maximum Number**”), provided, however, that:

- (1) the Maximum Number may be “refreshed”, with the separate approvals of the Shareholders and the FTG Shareholders in respective general meetings, up to a maximum limit of 10% of the FTG Shares then in issue at the date of such approvals of the Shareholders and the FTG Shareholders, and a circular containing the requisite information in accordance with Rule 17.03(3) of the Listing Rules will be sent to the Shareholders and the FTG Shareholders prior to respective general meetings; and
- (2) the total maximum number of FTG Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the FTG Share Option Scheme and any other options granted and yet to be exercised under any other share option scheme of FTG shall not exceed 30% of the FTG Shares in issue from time to time. No option may be granted under the FTG Share Option Scheme and no option may be granted under any other share option scheme of FTG if it will result in such limit being exceeded.

Subject to sub-paragraph (2) above and without prejudice to sub-paragraph (1) above, FTG may seek separate approvals of the Shareholders and the FTG Shareholders in respective general meetings to grant options beyond the Maximum Number or, if applicable, the extended limit referred to in sub-paragraph (1) above to participants specifically identified by FTG before such approval is sought. In such event, a circular containing a general description of the identified participants, the number and terms of options to be granted, the purpose of granting options to the identified participants with an explanation as to how the terms of the options serve such purpose and all other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules shall be sent to the Shareholders and the FTG Shareholders prior to respective general meetings.

For the avoidance of doubt, (i) in calculating whether the Maximum Number has been exceeded, any options granted under the FTG Share Option Scheme or options granted under any other share option scheme of FTG which have been terminated, cancelled or lapsed in accordance with the terms of the relevant plan shall not be counted; and (ii) if the Maximum Number is “refreshed” pursuant to the FTG Share Option Scheme, any options granted under

the FTG Share Option Scheme or options granted under any other share option scheme of FTG (including without limitation those outstanding, cancelled or lapsed in accordance with the relevant plan and those exercised) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number has been exceeded.

(D) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of FTG Shares issued and to be issued upon exercise of the options granted and to be granted under the FTG Share Option Scheme and any other share option scheme of the FTG Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of FTG for the time being (the “**Individual Limit**”). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular containing the requisite information in accordance with the note to Rule 17.03(4) of the Listing Rules to be sent to the Shareholders and the FTG Shareholders prior to respective general meetings with such participant and his close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before approvals of the Shareholders and the FTG Shareholders and the date of FTG board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(E) GRANT OF OPTIONS TO CONNECTED PERSONS

- (1) Any grant of options under the FTG Share Option Scheme to any FTG Director, chief executive or substantial shareholder of FTG or any of their respective associates must be approved by the independent non-executive Directors of FTG (excluding any independent non-executive Director of FTG who is the proposed grantee of the options).
- (2) Where any grant of options to a substantial shareholder of FTG or an independent non-executive Director of FTG or any of their respective associates would result in the FTG Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the FTG Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the FTG Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by the FTG Shareholders in a general meeting. For the avoidance of doubt, where any grant of options involves any connected person of the Company resulting in the above-mentioned situation, such further grant of options must be approved by the Shareholders in a general meeting. The grantee, his associates and all core connected persons of FTG and/or the Company (as the case may be) must abstain from voting at such general meeting, except that they may vote against the relevant resolution at the general meeting provided that any of their intention to do so has been stated in the circular to be sent to the Shareholders and the FTG Shareholders (as the case may be) in connection therewith. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of FTG or any of their respective associates must be approved by the Shareholders and/or the FTG Shareholders (as the case may be) in respective general meetings.

For the avoidance of doubt, in calculating whether all grants of options to any FTG Eligible Participant represent in aggregate more than 0.1% of the FTG Shares in issue, lapsed options or options granted under any other share option scheme of FTG shall not be counted.

(F) TIME OF ACCEPTANCE AND EXERCISE OF OPTION

An option may be accepted by a participant to whom the offer is made within five (5) Business Days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the FTG Share Option Scheme at any time during a period to be determined and notified by the FTG Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than ten (10) years from the date of grant of the option subject to the provisions for early termination under the FTG Share Option Scheme. At the time of grant of the options, the FTG Board may specify any minimum period(s) for which an option must be held before it can be exercised.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of FTG Shares in respect of which the offer is accepted clearly stated therein, which must be received by FTG within five (5) Business Days from the date on which the offer letter is delivered to the grantee.

There is no additional amount payable on application or acceptance of the Share Option.

(G) PERFORMANCE TARGETS

At the time of the grant of the options, the FTG Board may specify any performance target(s) which must be reached before the options can be exercised in whole or in part.

(H) SUBSCRIPTION PRICE FOR FTG SHARES AND CONSIDERATION FOR THE OPTION

The subscription price per FTG Share under the FTG Share Option Scheme will be a price determined by the FTG Directors, but shall not be less than the highest of (i) the closing price of the FTG Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant in respect of such option, which must be a Business Day; (ii) the average closing price of the FTG Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant in respect of such option; and (iii) the nominal value of a FTG Share.

(I) RANKING OF FTG SHARES

- (1) FTG Shares allotted and issued upon the exercise of an option will be identical to the then existing issued FTG Shares and subject to all the provisions of the articles of association of FTG for the time being in force and will rank *pari passu* in all respects with the fully paid FTG Shares in issue on the date the name of the grantee is registered on the register of members of FTG or, if that date falls on a day when the register of members of FTG is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the Exercise Date. A FTG Share allotted upon the exercise of an option shall not carry voting rights or rights to participate in any dividends or distributions (including those arising on a liquidation of FTG) declared or recommended or resolved to be paid to the FTG Shareholders on the register until the completion of the registration of the grantee on the register of members of FTG as the holder thereof.
- (2) Unless the context otherwise requires, references to "FTG Shares" in this paragraph include references to FTG Shares in the ordinary equity share capital of FTG of such nominal amount as shall result from a subdivision, consolidation, reclassification or re-construction of the share capital of FTG from time to time.

(J) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No offer for grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the FTG Directors (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of FTG's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules); and (ii) the last date on which FTG must publish its announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of options may be made.

The FTG Directors may not grant any option to a participant who is a Director during the period or time in which Directors are prohibited from dealing in FTG Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by FTG.

(K) PERIOD OF THE FTG SHARE OPTION SCHEME

The FTG Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

(L) RIGHTS ARE PERSONAL TO THE GRANTEE

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option.

(M) RIGHTS ON CEASING EMPLOYMENT

If the grantee of an option is a FTG Eligible Participant and ceases to be a FTG Eligible Participant for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the FTG Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the FTG Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was physically at work with the FTG Group whether salary is paid in lieu of notice or not.

(N) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the grantee of an option is a FTG Eligible Participant and ceases to be a FTG Eligible Participant by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be taken to be the last day on which the grantee was physically at work with the FTG Group whether salary is paid in lieu of notice or not or such longer period as the FTG Directors may determine.

(O) RIGHTS ON DISMISSAL

If the grantee of an option is a FTG Eligible Participant and ceases to be a FTG Eligible Participant by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the FTG Directors does not bring the grantee or the FTG Group into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his option will lapse automatically and will not be exercisable on or after the date of ceasing to be a FTG Eligible Participant.

(P) RIGHTS ON BREACH OF CONTRACT

If the FTG Directors shall at their absolute discretion determine that (i) (1) the grantee of any option or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the FTG Group; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of the FTG Group by reason of the cessation of its relations with the FTG Group or by other reason whatsoever; and (ii) the option granted to the grantee under the FTG Share Option Scheme shall lapse as a result of any event specified in items (1), (2) or (3) in (i) above, his option will lapse automatically and will not be exercisable on or after the date on which the FTG Directors have so determined.

(Q) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of FTG Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, FTG shall use all reasonable endeavors to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, the FTG Shareholders. If such offer becomes or is declared unconditional or such scheme of

arrangement is formally proposed to the FTG Shareholders, a grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to FTG in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be.

(R) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of FTG during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to FTG at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the FTG Share Option Scheme and FTG shall allot and issue to the grantee the FTG Shares in respect of which such grantee has exercised his option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the FTG Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of FTG available in liquidation *pari passu* with the holders of the FTG Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of FTG.

(S) GRANTEE BEING A COMPANY WHOLLY OWNED BY FTG ELIGIBLE PARTICIPANTS

If the grantee is a company wholly owned by one or more FTG Eligible Participants: sub-paragraphs (k), (m), (n) and (o) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant FTG Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (k), (m), (n) and (o) shall occur with respect to the relevant FTG Eligible Participant, and the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant FTG Eligible Participant provided that the FTG Directors may in their absolute discretions decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(T) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalization issue, rights issue, subdivision or consolidation of FTG Shares or reduction of capital of FTG whilst an option remains exercisable, such corresponding adjustments (if any) certified by the auditors for the time being of or an independent financial advisor to FTG as fair and reasonable will be made to (i) the number or nominal amount of FTG Shares to which the FTG Share Option Scheme or any option relates, so far as unexercised, and/or (ii) the subscription price of the option concerned, and/or (iii) the method of exercise

of the option, provided that (1) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (2) the issue of FTG Shares or other securities of the FTG Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (3) no adjustments shall be made the effect of which would be to enable a FTG Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustments made on a capitalization issue, such auditors or independent financial advisor must confirm to the FTG Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, but not limited to, the “Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note immediately after the Rule” attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to FTG Share Option Scheme).

(U) CANCELLATION OF OPTIONS

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee.

When FTG cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the Maximum Number or the new limits approved by the Shareholders and the FTG Shareholders pursuant to sub-paragraph (c) above.

(V) TERMINATION OF THE FTG SHARE OPTION SCHEME

FTG by ordinary resolution in a general meeting or the FTG Board may at any time terminate the FTG Share Option Scheme and in such event no further options shall be offered or granted but the provisions of the FTG Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the FTG Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the FTG Share Option Scheme.

(W) LAPSE OF OPTION

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (1) the expiry of the period referred to in sub-paragraph (f);
- (2) the date or the expiry of the periods or dates referred to in sub-paragraphs (k), (m), (n), (o), (q) and (r);

- (3) the date on which the grantee commits a breach of the provision which restricts the grantee to transfer or assign an option granted under the FTG Share Option Scheme or sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of this scheme;
- (4) the date on which the grantee (being an employee or a director of any member of the FTG Group) ceases to be a FTG Eligible Participant of the FTG Share Option Scheme by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (5) the date on which the grantee joins a company which the FTG Board believes in its sole and reasonable opinion to be a competitor of FTG;
- (6) the date on which the grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (7) unless the FTG Board otherwise determines, and other than in the circumstances referred to in sub-paragraphs (m) or (n), the date on which the grantee ceases to be a FTG Eligible Participant (as determined by a resolution of FTG Board or the human resource department of FTG as authorized by the FTG Board) for any other reason.

(X) ADMINISTRATION OF THE FTG SHARE OPTION SCHEME

The FTG Share Option Scheme will be administered by the FTG Board. The FTG Board may appoint a committee or any other authorized agent, which would administer in whole or partly the FTG Share Option Scheme on the FTG Board's behalf. The FTG Board shall have the authority to determine which FTG Eligible Participant will receive options, to grant options and to set all terms and conditions of options (including, but not limited to, vesting and forfeiture provisions). In addition, the FTG Board shall have the authority to take all actions and make all determinations contemplated by the FTG Share Option Scheme and to adopt, amend and repeal such administrative rules, guidelines and practices to enable the FTG Share Option Scheme to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations. The FTG Board may correct any defect, supply any omission or reconcile any inconsistency in the FTG Share Option Scheme or any options

in the manner and to the extent it shall deem desirable to carry the FTG Share Option Scheme and any options thereunder into effect, as determined by the FTG Board. The FTG Board shall make all determinations under the FTG Share Option Scheme in the FTG Board's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the FTG Share Option Scheme or in any options thereunder.

(Y) OTHERS

- (1) The FTG Share Option Scheme is conditional on the Listing Committee granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of and permission to deal in such number of FTG Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the FTG Share Option Scheme, such number representing the Maximum Number. Application will be made to the Listing Committee for the listing of and permission to deal in the FTG Shares to be issued within the Maximum Number pursuant to the exercise of any options which may be granted under the FTG Share Option Scheme.
- (2) The terms and conditions of the FTG Share Option Scheme relating to the matters set forth in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the FTG Shareholders in a general meeting.
- (3) Any alterations to the terms and conditions of the FTG Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders and the FTG Shareholders in respective general meetings and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the FTG Share Option Scheme.
- (4) The amended terms of the FTG Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (5) Any change to the authority of the FTG Directors or the scheme administrators in relation to any alteration to the terms of the FTG Share Option Scheme shall be approved by the Shareholders and the FTG Shareholders in respective general meetings.
- (6) Upon adoption of the FTG Share Option Scheme, the Company will disclose the required information in relation to the FTG Share Option Scheme in its subsequent annual report and interim report in accordance with the disclosure requirements under Rule 17.07 of the Listing Rules.
- (7) Under the FTG Share Option Scheme, expressions in any gender or the neuter shall include other genders and the neuter.

(Z) VALUE OF OPTIONS

The Directors consider that it is not appropriate to state the value of all the options that can be granted under the FTG Share Option Scheme as if they had been granted at the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such options cannot be determined. The Directors believe that any statement regarding the value of the options that can be granted under the FTG Share Option Scheme as at the Latest Practicable Date will not be meaningful to the Shareholders, since the options to be granted shall not be assignable, and no holder of the options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any option. The variables which are crucial for the determination of the value of such options include the exercise price for the FTG Shares to be issued upon the exercise of the options, the timing of the grant of such options, whether or not such options, if granted, will be exercised by the grantees of FTG, interest rate, expected volatility and other variables. As no options had been granted as at the Latest Practicable Date under the FTG Share Option Scheme, certain variables are not available for calculating the value of the options thereunder. Thus, the Directors are of the view that the value of the options that can be granted pursuant to the FTG Share Option Scheme depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the options will not be meaningful and may be misleading to the Shareholders in the circumstance.

(AA) GRANT OF OPTIONS

As of the Latest Practicable Date, no options have been granted or agreed to be granted under the FTG Share Option Scheme.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the FTG Shares which may fall to be issued pursuant to the exercise of the options to be granted under the FTG Share Option Scheme.