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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.

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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 Independent 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, 3 June 2020 at 39th Floor, Tower S1, the Bund Finance Center, 600 Zhongshan No. 2 Road (E), Huangpu District, Shanghai, China 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.

**For details of the precautionary measures of the AGM, please refer to the notice of AGM of the Company dated 24 April 2020.**

A letter from the Board is set out on pages 4 to 14 of this circular.

A letter from Lego Corporate Finance Limited, the Independent Financial Adviser, containing its advice to the Independent Shareholders is set out on pages 15 to 23 of this circular.

24 April 2020

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## DEFINITIONS

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

“2020 Award”	the grant of 8,501,000 Award Shares to 83 Selected Participants in 2020 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”	the announcement of the Company dated 1 April 2020 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 867,320 Award Shares which had lapsed before vesting
“Fosun Holdings”	Fosun Holdings Limited
“Fosun International Holdings”	Fosun International Holdings Ltd.
“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 2020 Award

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## DEFINITIONS

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“Latest Practicable Date”	15 April 2020, 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 Independent 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 7,633,680 new Shares pursuant to the Specific Mandate to be obtained at the AGM
“New Share Option Scheme”	the new share option scheme adopted by the Shareholders on 6 June 2017
“PRC” or “China”	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 Participant(s)”	the eligible person(s) selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares
“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
“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

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## DEFINITIONS

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“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

# 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 (*Co-Chairman*)  
Mr. Chen Qiyu (*Co-Chief Executive Officer*)  
Mr. Xu Xiaoliang (*Co-Chief Executive Officer*)  
Mr. Qin Xuetang  
Mr. Gong Ping

*Non-executive Director*

Ms. Chen Shucui

*Independent Non-executive Directors:*

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

**Registered Office:**

Room 808 ICBC Tower  
3 Garden Road Central  
Hong Kong

24 April 2020

*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 8,501,000 Award Shares to 83 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 7,633,680 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 867,320 Award Shares which had lapsed before vesting. The Trust is an employees' share scheme established for Selected Participants, as at the date of the Announcement and the Latest Practicable Date, and the aggregate of the Company's connected persons' interest in such scheme is approximately 36.54% and 37.42% respectively.

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## LETTER FROM THE BOARD

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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 connected persons 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 2020 Award and their respective associates at the AGM.

The purpose of this circular is to provide you with details of the 2020 Award and the advice from Lego to the Independent Shareholders in relation to the 2020 Award.

### DETAILS OF AWARD OF THE AWARD SHARES

On 1 April 2020, the Board resolved to award an aggregate of 8,501,000 Award Shares to 83 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2020 Award will be settled by way of (i) issue and allotment of 7,633,680 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 867,320 Award Shares which had lapsed before vesting.

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 2020 Award was determined in accordance with their respective contributions to the Group.

### General Information

The information in relation to the award of an aggregate of 8,501,000 Award Shares to the Selected Participants under the 2020 Award is set out below:

Securities to be newly issued: 7,633,680 New Award Shares

Securities to be re-awarded: 867,320 Award Shares which were lapsed before vesting

Pursuant to the Share Award Scheme, the Trustee shall hold any Returned Shares on trust and such Shares may be applied by the Company towards future Awards. As such, the 867,320 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

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

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## LETTER FROM THE BOARD

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Identity of the allottee(s): The Trustee, which will hold the Award Shares awarded under the 2020 Award in trust in accordance with the Trust Deed for the 83 Selected Participants under the 2020 Award, who are (i) Directors and directors of significant subsidiaries of the Company; (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 2019 and each of them should have met their respective performance evaluation results for the year ended 31 December 2019

Market price of the Shares: The closing price of the Shares on 1 April 2020 as quoted on the Stock Exchange is HK\$8.74 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 1 April 2020 as quoted on the Stock Exchange is HK\$8.79 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$9.48 per Share

Vesting: Subject to the satisfaction of the vesting criteria and conditions of the 2020 Award, the Award Shares awarded under the 2020 Award shall be transferred to the Selected Participants under the 2020 Award upon expiry of the following vesting periods:

<b>Percentage of Award Shares to be vested</b>	<b>Vesting Date</b>
33%	1 April 2021
33%	1 April 2022
34%	1 April 2023

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 2020 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:



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## LETTER FROM THE BOARD

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- 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

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

Among those 83 Selected Participants, 12 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.

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## LETTER FROM THE BOARD

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Their details are as follows:

<b>Directors</b>	<b>Number of Award Shares</b>
Chen Qiyu	1,660,000
Xu Xiaoliang	1,660,000
Qin Xuetao	295,000
Gong Ping	275,000
Zhang Shengman	25,000
Zhang Huaqiao	25,000
David T. Zhang	25,000
Lee Kai-Fu	25,000
Subtotal	<u>3,990,000</u>

<b>Directors of significant subsidiaries of the Company</b>	<b>Number of Award Shares</b>
Zhang Houlin	255,000
Li Tao	255,000
Jin Hualong	100,000
Mu Haining	68,000
Subtotal	<u>678,000</u>
Total	<u><u>4,668,000</u></u>

### Conditions

The grant of the Award Shares to the Selected Participants under the 2020 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 of 7,633,680 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.

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## LETTER FROM THE BOARD

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### Details of Award Shares

The aggregate of 7,633,680 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.09% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.09% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares (assuming that there will be no other changes in the total number of issued Shares of the Company between the Latest Practicable Date and the completion date of issue and allotment of the New Award Shares).

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 <sup>(5)</sup>	
	Number of issued Shares	Approximate percentage (%)	Number of issued Shares	Approximate percentage (%)
<b>Substantial Shareholders</b>				
Fosun Holdings	6,044,246,673 <sup>(2)</sup>	71.01%	6,044,246,673 <sup>(2)</sup>	70.94%
Fosun International Holdings <sup>(1)</sup>	6,044,246,673 <sup>(2)(3)</sup>	71.01%	6,044,246,673 <sup>(2)(3)</sup>	70.94%
<b>Directors</b>				
Guo Guangchang	6,044,246,673 <sup>(3)</sup>	71.01%	6,044,246,673 <sup>(3)</sup>	70.94%
Chen Qiyu	5,243,350	0.06%	6,903,350	0.08%
Xu Xiaoliang	2,810,350	0.03%	4,470,350	0.05%
Qin Xuetang	5,363,840	0.06%	5,658,840	0.07%
Gong Ping	731,350	0.01%	1,006,350	0.01%
Zhang Shengman	742,850	0.01%	767,850	0.01%
Zhang Huaqiao	392,850	0.00%	417,850	0.00%
David T. Zhang	92,850	0.00%	117,850	0.00%
Lee Kai-Fu	47,850	0.00%	72,850	0.00%
<b>Other Selected Participants<sup>(4)</sup></b>				
<b>(including Trustee)</b>	13,366,672	0.16%	17,010,352	0.20%
<b>Other public Shareholders</b>	<u>2,439,142,109</u>	<u>28.65%</u>	<u>2,439,142,109</u>	<u>28.63%</u>
<b>Total</b>	<u><u>8,512,180,744</u></u>	<u><u>100%</u></u>	<u><u>8,519,814,424</u></u>	<u><u>100%</u></u>

Notes:

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

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## LETTER FROM THE BOARD

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- (4) Including the Trustee, other Selected Participants under the 2020 Award and their respective associates.
- (5) Assuming that there will be no other changes in the total number of issued Shares of the Company between the Latest Practicable Date and the completion date of issue and allotment of the New Award Shares.

Upon the allotment and issue of all the New Award Shares, the shareholding of the existing public Shareholders of 2,439,142,109 Shares as at the Latest Practicable Date will be diluted from approximately 28.65% to 28.63%. Based on the closing price of HK\$9.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value of the 7,633,680 New Award Shares is HK\$72,367,286.40 and (ii) the aggregate market value of the 8,501,000 Award Shares under the 2020 Award is HK\$80,589,480.00.

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

As an innovation-driven consumer group, the Group continues to focus on expanding its three business lines – Health, Happiness and Wealth, and enhances its operational capabilities and product competitiveness, in order to maintain a sustainable and healthy growth across its global business. The Health business includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness business includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle; the Wealth business includes three major segments: Insurance, Finance and Investment.

Equity compensation, including provision of long-term share-based incentives to participants, is common among public companies and innovation-driven 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 Share Award Scheme was adopted by the Board on 25 March 2015 (as amended from time to time). The Share Award Scheme has been used in parallel with the New Share Option Scheme adopted on 6 June 2017 and other share-based incentives which may be adopted by the Company from time to time. The Board has the sole discretion to choose between the Share Award Scheme and New Share Option Scheme.

On one hand, the granting of the Award Shares under the Share Award Scheme to the Selected Participants, being the senior executives of the Group, after assessing the performance of the Selected Participants and their respective departments within the Group during the previous financial year, forms a part of the total compensation package of the Selected Participants. The Company considers that, by granting the Award Shares to the Selected Participants, the interests of the employees of the Group can be aligned directly with the performance of the Group and the interests of the Shareholders through the ownership of the Shares. On the other hand, by granting share options to a larger pool of employees of the Group under the New Share Option Scheme (as compared to the Selected Participants under the Share Award Scheme), it provides incentive to its employees to contribute to the development and the growth of the Group in order to obtain financial rewards when the market price of the Shares exceeds the exercise price of the share options.

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## LETTER FROM THE BOARD

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The 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 the Share Award Scheme and the New Share Option Scheme and offer meaningful incentives to the participants to contribute to the business performance of the Group.

Based on the foregoing, the Board considered such arrangement is fair and reasonable, and in the interests of the Company and the Shareholders as a whole. For the purpose, target participants and principal terms of the New Share Option Scheme, please refer to the circular of the Company dated 27 April 2017.

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 Company has resolved to grant Award Shares to 83 core personnel which are Selected Participants under 2020 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 2020 Award include Directors and directors of significant subsidiaries of the Company, the Group's business and functional department heads, backbone employees and senior management of the Group's core affiliated enterprises.

Furthermore, there will not be any actual cash outflow by the Group under the award of the Award Shares 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 employees' share scheme established for Selected Participants, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 37.42% 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 connected persons 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. 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, among others, the approval by the Independent Shareholders (other than the Trustee, the Selected Participants under the 2020 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;
- 2 the grant of the 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.

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## LETTER FROM THE BOARD

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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 2020 Award and their respective associates (holding approximately 0.34% of the Shares in issue 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 Award.

As at the Latest Practicable Date, the identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior executives, 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	5,243,350	0.06%
Xu Xiaoliang	2,810,350	0.03%
Qin Xuetang	5,363,840	0.06%
Gong Ping	731,350	0.01%
Zhang Shengman	742,850	0.01%
Zhang Huaqiao	392,850	0.00%
David T. Zhang	92,850	0.00%
Lee Kai-Fu	47,850	0.00%
<b>Directors of the significant subsidiaries of the Company</b>		
Zhang Houlin	711,150	0.01%
Li Tao	202,950	0.00%
Jin Hualong	35,458	0.00%
Mu Haining	171,740	0.00%
<b>Senior executives</b>	2,437,454	0.03%
<b>Backbone employees</b>	1,266,640	0.01%
<b>Heads of core enterprises</b>	77,560	0.00%
<b>Trustee</b>	8,463,720	0.10%
<b>Total</b>	28,791,962	0.34%

To the best of the knowledge of the Directors, having made all reasonable enquiries, the Directors, directors of significant subsidiaries of the Company, senior executives, backbone employees, heads of core enterprises and the Trustee required to abstain from voting and listed immediately above, control or are

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## LETTER FROM THE BOARD

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entitled to exercise control over all of the Shares held by them. Save for the Trustee, the Selected Participants under the 2020 Award and their respective associates, to the best of the Directors' knowledge 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 Xuetao, Mr. Gong Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu have abstained from approving the board resolution on the award of the Award Shares to them under the 2020 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, 3 June 2020 at 39th Floor, Tower S1, the Bund Finance Center, 600 Zhongshan No. 2 Road (E), Huangpu District, Shanghai, China 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 are 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 Independent Financial Adviser, which contains its advice to the Independent 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 the Independent Financial Adviser is set out on pages 15 to 23 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 FROM THE INDEPENDENT FINANCIAL ADVISER

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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 2020 Award.*



24 April 2020

*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 2020 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 24 April 2020 (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 1 April 2020, the Board resolved to award an aggregate of 8,501,000 Award Shares to 83 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2020 Award will be settled by way of: (i) issue and allotment of 7,633,680 New Award Shares pursuant to the Specific Mandate to be obtained in the forthcoming annual general meeting (the “**AGM**”); and (ii) 867,320 Existing Award Shares which had lapsed before vesting.

As at the Latest Practicable Date, the aggregate of 7,633,680 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.09% of the total number of Shares in issue and approximately 0.09% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares, assuming that there will be no other changes in the total number of issued Shares of the Company between the Latest Practicable Date and the completion date of issue and allotment of the New Award Shares.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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 36.54% and 37.42%, 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 connected persons 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 2020 Award and their respective associates (holding approximately 0.34% 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 2020 Award.

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 Independent Shareholders in relation to the issue of new Shares under the Share Award Scheme (details of which were set out in the circulars of the Company dated 26 April 2018, 26 April 2019 and 8 October 2019). Apart from normal professional fees paid or payable to us in connection with the afore-mentioned appointments 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 2020 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 Latest Practicable Date 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 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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 2020 Award

##### 1.1 Information on the Group

The Group continues to upgrade operations and increase product competitiveness as an innovation-driven consumer group, focusing on its Health, Happiness and Wealth businesses and enhances its operational capabilities, aiming to maintain sustainable and healthy growth across the global business.

The Group has three major parts as of 31 December 2019, namely Health, Happiness and Wealth businesses. The Health business includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness business includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle while the Wealth business 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 2018 and 31 December 2019 extracted from the annual results announcement of the Company for the year ended 31 December 2019 (“**2019 Annual Results Announcement**”), both of which are prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”):

	For the year ended 31 December		Year-on-year change (%)
	2019	2018	
	<i>RMB million</i>	<i>RMB million</i>	
	(audited)	(audited)	
<b>Revenue</b>	142,982.1	109,351.6	30.8%
<b>Health</b>	33,133.0	29,093.3	13.9%
<b>Happiness</b>	67,557.5	44,936.4	50.3%
<b>Wealth</b>	43,370.0	36,097.4	20.2%
– Insurance	31,261.9	23,668.5	32.1%
– Finance	2,492.6	2,482.7	0.4%
– Investment	9,615.5	9,946.2	-3.3%
<b>Profit before tax</b>	27,517.3	21,994.6	25.1%
<b>Profit for the year</b>	20,169.4	17,009.5	18.6%

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The revenue of the Group amounted to approximately RMB142,982.1 million for the year ended 31 December 2019, representing an increase of approximately 30.8% as compared to that of approximately RMB109,351.6 million for the year ended 31 December 2018. The profit for the year ended 31 December 2019 increased by approximately 18.6% from approximately RMB17,009.5 million for the year ended 31 December 2018 to approximately RMB20,169.4 million for the year ended 31 December 2019. Such increase was mainly due to the significant growth in the Happiness business and the Wealth business, mitigated by the slight decline in the Investment segment.

The revenue of Happiness business increased from approximately RMB44,936.4 million for the year ended 31 December 2018 to approximately RMB67,557.5 million for the year ended 31 December 2019, representing a growth of approximately 50.3%. According to the 2019 Annual Results Announcement, the increase in the revenue of the Happiness business was mainly attributable to (i) the rapid increased performance of Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. jewellery and fashion business, in particular Gu Yun Jin, Wan Baobao series and Mak Ling Ling series. In 2019, there was a net increase of 669 stores to 2,759 stores, with approximately a 23% year-on-year growth to a revenue of approximately RMB20.46 billion; and (ii) Atlantis Sanya, the first tourism destination project of Fosun Tourism Group located in Sanya. The project has recorded a business volume of RMB1,312.1 million in 2019, represented an adjusted EBITDA rate of about 43%, 5.2 million visitors throughout the year, and more than 1.8 billion user-generated contents on Tiktok.

The revenue of the Wealth business increased from approximately RMB36,097.4 million for the year ended 31 December 2018 to approximately RMB43,370.0 million for the year ended 31 December 2019, representing a growth of approximately 20.2%. According to the 2019 Annual Results Announcement, the increase in revenue of the Wealth business was mainly attributable to (i) Pramerica Fosun Life Insurance Co., Ltd. has achieved excellent results in building the “Jinzhexia” insurance marketing team. The premium income of Pramerica Fosun Life Insurance Co., Ltd. in 2019 was RMB4,064.6 million, representing a year-on-year increase of 222.6%; and (ii) The steadily increase of the ROE of the German private bank H&A to the top three in the industry by promoting synergy and increasing scale. As at the end of 31 December 2019, H&A’s assets under control reached EUR142.0 billion, a year-on-year increase of 14.5%, and ROE reached 11%.

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

On 1 April 2020, the Board resolved to award an aggregate of 8,501,000 Award Shares to 83 Selected Participants under Share Award Scheme, of which 7,633,680 New Award Shares represent approximately 0.09% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.09% 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 Selected Participants under 2020 Award are (i) Directors and directors of significant subsidiaries of the Company, (ii) the Group’s business and functional department heads, backbone employees, and (iii) senior management of the Group’s core affiliated enterprises. The Board considers that the award of the Award Shares to the above-mentioned participants will allow

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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.

According to the 2019 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 Selected Participants under the 2020 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 in the future.

As set out in the Letter of the Board, the Share Award Scheme has been used in parallel with the New Share Option Scheme adopted on 6 June 2017 and the Board has the sole discretion to choose between the Share Award Scheme and New Share Option Scheme. The Board believes that the parallel share-based incentive schemes will provide the Group with greater flexibility under particular circumstances of each grant and facilitate the purposes of the Share Award Scheme and the New Share Option Scheme and offer meaningful incentives to the participants to contribute to the business performance of the Group. Having considered the benefit of parallel share-based incentive schemes mentioned above, it is a common practice for public companies (in particular innovation-driven companies) to adopt such 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. Based on the above, we concur with the Directors view that such arrangement is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

In assessing the fairness and reasonableness of the granting of Award Shares to the Directors and directors of significant subsidiaries of the Company, the Group's business and functional department heads, backbone employees and senior management of the Group's core affiliated enterprises, we (i) have discussed with the management of the Company that, it is crucial to provide attractive equity compensation to attract high-caliber employees to maintain the competitive edge as an innovation-driven consumer group; (ii) have reviewed resumes of four Selected Participants and noted that they have extensive experience in different fields, including fund management, accounting, sales and marketing, and venture capital; and (iii) as disclosed in the section headed "Principal terms of the 2020 Award" below, found that it is a common practice of the Company to issue Award Shares to employees, senior executives and/or directors to link their interests with the Company. Based on the above, we are of the view that the granting of Award Shares to the Directors and directors of significant subsidiaries of the Company, the Group's business and functional department heads, backbone employees and senior management of the Group's core affiliated enterprises is fair and reasonable.

As set out in the Letter of the Board, 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 2020 Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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We have also discussed with the management of the Company regarding the benefits of the 2020 Award as an incentive scheme. They have considered several methods of providing incentives to the Selected Participants, including but not limited to bonus, carried interest as well as the 2020 Award. After careful consideration of the various alternatives, the Directors consider the 2020 Award to be the most appropriate given that, as opposed to the other alternatives, the 2020 Award will enable the Company to prevent cash outflow while allowing added incentives to the Selected Participants to make future contribution to the operation of the Group. In addition, the economic benefits of the 2020 Award are dependent on the improvement in the share price of the Company 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 2020 Award will align the interests of the Selected Participants with the Company together with the Shareholders. In determining the number of Award Shares of the 2020 Award to be issued to each of the Selected Participants, we were given to understand from the management of the Company that they have considered, inter alia, (i) the department and grading of the Selected Participant; (ii) the performance of the Selected Participant; and (iii) the duration of the Selected Participant working in the Group.

In view of the foregoing reasons for and possible benefits of the 2020 Award to the Selected Participants, we are of the opinion that the 2020 Award to the Selected Participants is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the 2020 Award**

As set out in the Letter from the Board, the grant of the 8,501,000 Award Shares to the Selected Participants of which 7,633,680 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 2020 Award***

Subject to the satisfaction of the vesting criteria and conditions of the 2020 Award, the Award Shares awarded under the 2020 Award shall be transferred to the Selected Participants upon expiry of the following vesting periods: (i) 33% vesting on 1 April 2021; (ii) 33% vesting on 1 April 2022; and (iii) 34% vesting on 1 April 2023. 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 2020 Award according to their performance at its sole discretion.

The Company shall consider the expected 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 2020 Award after considering (i) the market practice of listed companies and other comparable peer companies' practices listed on the Stock Exchange; 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 2020 Award and the vesting period of the Award Shares, we have, to our best effort and knowledge, identified nine comparable companies which are listed on the Main Board of the Stock Exchange and had announced the grant of

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awarded shares to their respective employees, senior executives and/or directors in the approximate 2-month period immediately before the Board resolved to award Awarded Shares (i.e. the period from 29 January 2020 to 1 April 2020) (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 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. The list of comparable is an exhaustive list and we are of the opinion that the list with nine comparable covering two-months is fair, sufficient and representative to illustrate the recent trend and terms under common market practice. Set out below is a comparison of the Comparable Grants:

Company name (Stock Code)	Date of announcement	Number of grantee(s) (including number of connected persons)	Vesting date/period
Xiaomi Corporation (1810)	1-Apr-20	1,849 (-)	10 October 2020 to 1 April 2024
CIFI Holdings (Group) Co. Ltd. (0884)	31-Mar-20	1 (1)	Immediate
China Modern Dairy Holding Ltd. (1117)	27-Mar-20	56 (-)	Not disclosed
First Pacific Company Limited (142)	24-Mar-20	1 (1)	Not disclosed
SITC International Holdings Company Limited (1308)	20-Mar-20	604 (9)	Third anniversary
Chong Hing Bank Limited (1111)	16-Mar-20	54 (3)	25% on first calendar year, 25% on second calendar year, 25% on third calendar year, 25% on fourth calendar year
SmarTone Telecommunications Holdings Limited (0315)	28-Feb-20	319 (5)	30% on first calendar year, 30% on second calendar year, 40% on third calendar year
SMI Culture & Travel Group Holdings Limited (2366)	17-Feb-20	41 (-)	Not disclosed

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Company name (Stock Code)	Date of announcement	Number of grantee(s) (including number of connected persons)	Vesting date/period
Earthasia International Holdings Limited (6128)	29-Jan-20	Certain number of grantees (-)	Immediate

As shown from the above table, the vesting period of the Comparable Grants ranged from approximately immediate to 4.5 years. The vesting period of 2020 Award is three years which falls within the range of the Comparable Grants and is in line with the market practice. Thus, we concur with the Directors that the terms of the 2020 Award are fair and reasonable.

### ***Forfeiture of the Award Shares under the 2020 Award***

According to the 2020 Award, any outstanding Award Shares and related income derived from the Award Shares not yet vested shall be forfeited immediately 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 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 2020 Award being forfeited.

### ***Market price of the Award Shares under the 2020 Award***

Based on the closing price of HK\$8.74 per Share as quoted on the Stock Exchange as at 1 April 2020, being the date of the Announcement, and the closing price of HK\$9.48 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the aggregate market value of the 8,501,000 Award Shares under the 2020 Award was HK\$74,298,740 and HK\$80,589,480, respectively. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

### **3. Financial effects of the 2020 Award**

After granting of the Award Shares under the 2020 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.



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### RECOMMENDATION

Having considered the 2020 Award (i) will allow the Group to attract, retain and motivate talents of the Group; (ii) will align the interests of the Selected Participants through ownership of Award Shares; and (iii) is in line with the market practice, we are of the opinion that although the issue and allotment of 2020 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 2020 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 2020 Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent 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*

*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	71.01%
Chen Qiyu	Ordinary	20,578,000	Individual	0.24%
Xu Xiaoliang	Ordinary	18,145,000	Individual	0.21%
Qin Xuetang	Ordinary	16,092,640	Individual	0.19%
Gong Ping	Ordinary	10,210,000	Individual	0.12%
Zhang Shengman	Ordinary	805,000	Individual	0.01%
Zhang Huaqiao	Ordinary	455,000	Individual	0.01%
David T. Zhang	Ordinary	155,000	Individual	0.00%
Lee Kai-Fu	Ordinary	110,000	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 <sup>(3)</sup>	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
		A Shares <sup>(2)</sup>	938,095,290	Corporate	46.65%
		H Shares	39,549,500	Corporate	7.17%
	Sisram Medical Ltd	Ordinary	330,558,800	Corporate	74.76%
	FTG <sup>(4)</sup>	Ordinary	1,015,389,932	Corporate	82.21%
	Shanghai Henlius <sup>(5)</sup>	Domestic Shares	289,845,387	Corporate	79.59%
H Shares		3,192,339	Corporate	1.95%	
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Pharma <sup>(3)</sup>	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma <sup>(3)</sup>	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
	FTG <sup>(4)</sup>	Ordinary	1,478	Individual	0.00%
Xu Xiaoliang	FTG <sup>(4)</sup>	Ordinary	2,328	Individual	0.00%
Qin Xuetang	Fortune Star (BVI) Limited	N/A	2,000,000	Individual	0.14%
Gong Ping	FTG <sup>(4)</sup>	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 and 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.
- (5) Shanghai Henlius refers to Shanghai Henlius Biotech, Inc..

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 2019, 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	6,044,246,673 <sup>(2)</sup>	71.01%
Fosun International Holdings <sup>(1)</sup>	6,044,246,673 <sup>(2)(3)</sup>	71.01%

*Notes:*

- (1) Fosun International Holdings is owned as to 85.29% and 14.71% by Mr. Guo Guangchang and Mr. Wang Qunbin, respectively.

- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings and, therefore Fosun International Holdings is deemed, or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.
- (3) Mr. Guo Guangchang is the sole director of Fosun Holdings and Fosun International Holdings. Mr. Guo, by virtue of his ownership of shares in Fosun International Holdings as to 85.29%, is deemed or taken to be interested in the Shares owned by Fosun Holdings 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 disclosed in the annual results announcement of the Company dated 31 March 2020, the global outbreak of the coronavirus disease (“COVID-19”) in early 2020 has certain impacts on the Group’s business operation and the Group has implemented various measures to mitigate such impacts. As at the Latest Practicable Date, the Directors have been monitoring and assessing the impact of the COVID-19 on the Group, and will make further announcements as and when appropriate under the Listing Rules.

Except as disclosed above, as at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or operation positions of the Group since 31 December 2019, 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 2019 (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 3 June 2020:

- (a) a copy of the Share Award Scheme;
- (b) the letter from Lego to the Independent 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.