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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 Board Committee and the Independent Shareholders



A notice convening the EGM of the Company 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 the general mandate circular of the Company and a form of proxy are dispatched 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.

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on page 14 of this circular. A letter from Lego Corporate Finance Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

8 October 2019

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DEFINITIONS

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

“2015 Award”	the grant of 4,620,000 Award Shares to 71 Selected Participants in 2015 under the Share Award Scheme
“2016 Award”	the grant of 5,410,000 Award Shares to 69 Selected Participants in 2016 under the Share Award Scheme
“2017 Award”	the grant of 5,275,000 Award Shares to 65 Selected Participants in 2017 under the Share Award Scheme
“2018 Award”	the grant of 5,902,000 Award Shares to 70 Selected Participants in 2018 under the Share Award Scheme
“2019 First Award”	the grant of 6,283,000 Award Shares to 92 Selected Participants in March 2019 under the Share Award Scheme
“2019 Second Award”	the grant of 420,000 Award Shares to 10 Selected Participants in August 2019 under the Share Award Scheme
“Announcement”	announcement made on 28 August 2019 in relation to, among others, the issue of new Shares under the Share Award Scheme
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	the award of the Award Shares to the Selected Participants
“Award Shares”	the Shares be awarded to the Selected Participants under the Share Award Scheme, which, for the avoidance of doubt, includes the New Award Shares
“Board”	the board of Directors
“Company”	Fosun International Limited, a company incorporated under the laws of Hong Kong and whose Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 00656)
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held for considering and approving, among others, the Award and the Specific Mandate
“Existing Award Shares”	the 131,500 Award Shares which had lapsed before vesting
“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 Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors of the Company, being Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the EGM to approve the 2019 Second Award
“Latest Practicable Date”	27 September 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lego” or “Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Independent Board Committee and 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 288,500 new Shares pursuant to the Specific Mandate to be obtained in the EGM
“New Share Option Scheme”	the new share option scheme adopted by the Shareholders on 6 June 2017
“PRC”	the People’s Republic of China

DEFINITIONS

“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 persons 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, which, for the avoidance of doubt, includes 2015 Award, 2016 Award, 2017 Award, 2018 Award, 2019 First Award and 2019 Second Award
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to issue and allot the New Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed entered into between the Company and the Trustee, to service the Share Award Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	Computershare Hong Kong Trustees Limited
“%”	per cent

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

Directors:

Executive Directors:

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

Registered Office:

Room 808
ICBC Tower
3 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

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

8 October 2019

To the Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES
UNDER THE SHARE AWARD SCHEME

INTRODUCTION

Reference is made to the Announcement pursuant to which the Company announces that the Board has resolved to award an aggregate of 420,000 Award Shares to 10 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 288,500 New Award Shares pursuant to the Specific Mandate to be obtained in the EGM; and (ii) 131,500 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 are both approximately 46.98%. As such, pursuant to Rule

LETTER FROM THE BOARD

14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders excluding the Trustee, the Selected Participants under the 2019 Second Award and their respective associates at the EGM.

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

DETAILS OF AWARD OF THE AWARD SHARES

On 28 August 2019, the Board resolved to award an aggregate of 420,000 Award Shares to 10 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2019 Second Award will be settled by way of (i) issue and allotment of 288,500 New Award Shares pursuant to the Specific Mandate to be obtained in the EGM; and (ii) 131,500 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 2019 Second Award was determined in accordance with their respective expected contributions to the Group.

General Information

The information in relation to the award of the 420,000 Award Shares to the Selected Participants under 2019 Second Award is set out below:

Securities to be newly issued: 288,500 New Award Shares

Securities to be re-awarded: 131,500 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 either be applied by the Company towards future Awards. As such, the 131,500 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

LETTER FROM THE BOARD

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

Identity of the allottee(s): The Trustee, which will hold the Award Shares awarded under the 2019 Second Award in trust in accordance with the Trust Deed for the 10 Selected Participants. All Selected Participants are newly-joined management staff and the intelligent technology professionals of the Group

Market price of the Shares: The closing price of the Shares on 28 August 2019 as quoted on the Stock Exchange is HK\$9.95 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 28 August 2019 as quoted on the Stock Exchange is HK\$9.57 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$9.99 per Share

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

Percentage of Award Shares to be vested	Vesting Date
33%	28 August 2020
33%	28 August 2021
34%	28 August 2022

LETTER FROM THE BOARD

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

- a. any material adverse change in the business segments of the Group that the Selected Participant is responsible for overseeing;
- b. whether the behavior 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, 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

LETTER FROM THE BOARD

No Award Shares to Connected Persons under the 2019 Second Award

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief, all Selected Participants under the 2019 Second Award are third parties independent of the Company and the connected persons of the Company.

Conditions

The grant of the Award Shares to the Selected Participants under the 2019 Second 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 EGM 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 288,500 New Award Shares. For the avoidance of doubt, the Stock Exchange has granted approval for the listing of, and permission to deal in, the Existing Award Shares.

Details of Award Shares

The aggregate of 288,500 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.0034% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.0034% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

LETTER FROM THE BOARD

As at the Latest Practicable Date and immediately upon the issue of the New Award Shares, the shareholding structure of the Company is as follows (for illustrating the effect of the new allotment):

Name of Shareholders	As at the Latest Practicable Date		Immediately upon the issue of the New Award Shares	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
Substantial Shareholders				
Fosun Holdings	6,044,246,673 ⁽²⁾	70.76%	6,044,246,673 ⁽²⁾	70.76%
Fosun International Holdings ⁽¹⁾	6,044,246,673 ⁽²⁾⁽³⁾	70.76%	6,044,246,673 ⁽²⁾⁽³⁾	70.76%
Directors				
Guo Guangchang	6,044,246,673 ⁽³⁾	70.76%	6,044,246,673 ⁽³⁾	70.76%
Chen Qiyu	4,883,650	0.06%	4,883,650	0.06%
Xu Xiaoliang	2,450,650	0.03%	2,450,650	0.03%
Qin Xuetang	5,149,340	0.06%	5,149,340	0.06%
Wang Can	552,700	0.01%	552,700	0.01%
Gong Ping	574,600	0.01%	574,600	0.01%
Zhang Shengman	726,350	0.01%	726,350	0.01%
Zhang Huaqiao	376,350	0.00%	376,350	0.00%
David T. Zhang	76,350	0.00%	76,350	0.00%
Yang Chao	66,350	0.00%	66,350	0.00%
Lee Kai-Fu	31,350	0.00%	31,350	0.00%
Selected Participants⁽⁴⁾				
(including Trustee)	11,839,236	0.14%	12,127,736	0.14%
Other public Shareholders				
	<u>2,471,179,145</u>	<u>28.93%</u>	<u>2,471,179,145</u>	<u>28.93%</u>
Total	<u><u>8,542,152,744</u></u>	<u><u>100%</u></u>	<u><u>8,542,441,244</u></u>	<u><u>100%</u></u>

Notes:

- (1) Fosun International Holdings Ltd. (“Fosun International Holdings”) is owned as to 85.29% by Guo Guangchang.
- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings Limited (“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.
- (4) Including the Trustee, the Selected Participants under the 2019 Second Award and their respective associates.

LETTER FROM THE BOARD

Upon the allotment and issue of all the New Award Shares, the shareholding of the existing public Shareholders of 2,471,179,145 Shares will be remained at approximately 28.93%. Based on the closing price of HK\$9.99 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value of the 288,500 New Award Shares is HK\$2,882,115 and (ii) the aggregate market value of the 420,000 Award Shares under the 2019 Second Award is HK\$4,195,800.

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

Reasons for the Award of the Award Shares

The Group continued to upgrade operations and increase product competitiveness as a technology-driven consumer group, focusing on its Health, Happiness and Wealth Businesses, aiming to maintain a sustainable and healthy growth across the 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. In order to maintain our competitive edge as a technology-driven consumer group, the Group views that it is crucial to provide attractive equity compensation in line with the market practice to attract high-calibre employees from the high-tech and internet industries.

Equity compensation, including provision of long-term share-based incentives to participants, is common among public companies and technology 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. 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 interest 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.

LETTER FROM THE BOARD

The Share Award Scheme forms part of the incentive schemes of the Group. Selected Participants under the 2019 Second Award are all the newly-joined management staff and the intelligent technology professionals of the Group. The Board considers that the award of the Award Shares to the newly-joined management staff and the intelligent technology professionals will allow the Group to attract talents for the continual operation and development of the Group as it is a common market practice for technology driven companies to grant equity compensation to newly-joined employees. The award of the Award Shares to the Selected Participants will promote the Group's future development by enhancing our market competitiveness in attracting high-calibre employees from the high-tech and internet industries to join our technology driven consumer group.

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

LISTING RULES IMPLICATION

The Award constitutes a connected transaction on the part of the Company. The Trust is an employee's share scheme established for Selected Participants, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 46.98% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12 (1)(b) of the Listing Rules, the Trustee is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the New Award Shares to the Trustee and the grant of the Award Shares to the Selected Participants shall be subject to the approval by the Independent Shareholders (other than the Trustee, the Selected Participants under the 2019 Second Award and their respective associates) at the EGM 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; and
- 2 the grant of Award Shares to each of the Selected Participants of the Company.

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

Pursuant to Chapter 14A of the Listing Rules, the Trustee, the Selected Participants under the 2019 Second Award and their respective associates (holding approximately 0.14% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the EGM of the Company to approve the issue and allotment of the New Award Shares and the Award.

LETTER FROM THE BOARD

Save for the Trustee, the Selected Participants under the 2019 Second 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 EGM.

No directors have abstained from approving the board resolution on the award of the Award Shares to them under the 2019 Second 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 none of the independent non-executive Directors is Selected Participants, the Company is of the view that none 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) independent board committee comprising Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Kee Kai-fu, all being the independent non-executive Directors, has been formed, and (ii) the Independent Financial Adviser has been appointed to advise the Independent Board Committee and Independent Shareholders in this regard.

EGM

A notice convening the EGM of the Company 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 the general mandate circular of the Company and a form of proxy for the EGM are dispatched 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.

RECOMMENDATION

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

LETTER FROM THE BOARD

Your attention is drawn to the letter from Independent Financial Adviser, which contains its advice to the Shareholders in relation to the Award and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Independent Financial Adviser is set out on pages 15 to 24 of this circular.

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

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

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 8 October 2019 (the “**Circular**”), of which this letter forms part, capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires. Under the Listing Rules, the Award constitutes a connected transaction of the Company.

We have been appointed by the Board as members of the Independent Board Committee to consider the terms of the Award and to advise the Independent Shareholders in connection with the Award as to whether, in our opinion, their terms are fair and reasonable and whether the Award are in the interests of the Company and the Shareholders as a whole. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholder in this regard.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular and the letter from Independent Financial Adviser set out on pages 15 to 24 of the Circular.

Having taken into account (i) the terms and conditions of the connected transaction, (ii) the discussion with the management of the Company about the background to and nature of the connected transaction, (iii) the advice and recommendations of Independent Financial Adviser as set out from pages 15 to 24 of the Circular, we are of the opinion that the terms of the Award (i) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and (ii) incidental to the Group’s development of its ordinary and usual course of business though not in the ordinary course of business of the Group and on normal commercial terms.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Award.

Yours faithfully,
For and on behalf of the
Independent Board Committee

**Mr. Zhang
Shengman**

**Mr. Zhang
Huaqiao**

**Mr. David T.
Zhang**

**Mr. Yang
Chao**

**Dr. Lee
Kai-fu**

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

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



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

8 October 2019

To Independent Board Committee and the Independent Shareholders

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

Dear Sirs or Madams,

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

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Shareholders in respect of the grant of the Award Shares under the 2019 Second 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 8 October 2019 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 28 August 2019, the Board resolved to award an aggregate of 420,000 Award Shares to 10 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2019 Second Award will be settled by way of: (i) issue and allotment of 288,500 New Award Shares pursuant to the Specific Mandate to be obtained in the EGM; and (ii) 131,500 Award Shares which had lapsed before vesting.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the aggregate of 288,500 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.0034% of the total number of Shares in issue and approximately 0.0034% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

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 are both approximately 46.98%. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company and is subject to the reporting, announcement and the shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Trustee, the Selected Participants under the 2019 Second Award and their respective associates (holding approximately 0.14% of the Shares as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the EGM to approve the issue and allotment of the New Award Shares and the 2019 Second 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 Shareholders in relation to the issue of new shares under the share award scheme (details of which were set out in the circular of the Company dated 26 April 2018 and 26 April 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 2019 Second Award and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no

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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 EGM.

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Background of and reasons for the 2019 Second Award

1.1 Information on the Group

The Group continued to upgrade operations and increase product competitiveness as a technology-driven consumer group, focusing on its Health, Happiness, and Wealth Business, aiming to maintain sustainable and health growth across the global business.

The Group has three major Businesses as of 30 June 2019, namely Health, Happiness and Wealth. 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.

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The following table summarizes the financial information of the Group for (i) the unaudited results for the six months ended 30 June 2018 and 2019 extracted from the interim result announcement for the six months ended 30 June 2019 (the “**Interim Announcement**”); and (ii) the audited results for the two years ended 31 December 2017 and 31 December 2018 extracted from the annual report of the Company for the year ended 31 December 2018 (“**2018 Annual Report**”), both of which are prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”):

	For the year ended		Year-on-year change	For the six months ended		Year-on-year change
	31 December	31 December		30 June	30 June	
	2018	2017		2019	2018	
	<i>RMB million</i>	<i>RMB million</i>	<i>(%)</i>	<i>RMB million</i>	<i>RMB million</i>	<i>(%)</i>
	(audited)	(audited)		(unaudited)	(unaudited)	
		(restated)			(restated)	
Revenue	109,351.6	88,025.2	24.2%	68,475.4	43,511.8	57.4%
<i>Health</i>	29,093.3	22,486.3	29.4%	16,465.4	13,985.0	17.7%
<i>Happiness</i>	44,155.3	25,455.6	73.5%	30,893.9	13,541.3	128.1%
<i>Wealth</i>	36,878.5	40,746.2	(9.5)%	21,476.9	16,322.9	31.6%
– Insurance	23,668.5	26,133.3	(9.4)%	15,534.3	11,314.5	37.3%
– Finance	2,482.7	1,836.2	35.2%	1,065.5	1,330.5	(19.9)%
– Investment	10,727.3	12,776.7	(16.0)%	4,877.1	3,677.9	32.6%
Profit before tax	21,994.6	22,971.0	(4.3)%	13,487.8	10,274.4	31.3%
Profit for the year/period	17,009.5	16,796.0	1.3%	11,217.8	8,414.0	33.3%

As illustrated in the table above, the revenue of the Group amounted to approximately RMB68,475.4 million for the six months ended 30 June 2019, representing an increase of approximately 57.4% as compared to that of approximately RMB43,511.8 million for the six months ended 30 June 2018. The profit for the six months ended 30 June 2019 increased by approximately 33.3% from approximately RMB8,414.0 million for the six months ended 30 June 2018 to approximately RMB11,217.8 million for the six months ended 30 June 2019. Such increase was mainly due to revenue growth in Happiness Business.

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

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The revenue of the Health Business increased from approximately RMB13,985.0 million for the six months ended 30 June 2018 to approximately RMB16,465.4 million for the six months 30 June 2019, representing an increase of 17.7%. According to the Interim Announcement, the increase in the revenue of the Health Business was mainly attributable to the continuous and steady growth of revenue generated from Shanghai Fosun Pharmaceutical (Group) Co., Ltd. Similarly, the revenue of Health Business increased from approximately RMB22,486.3 million for the year ended 31 December 2017 to approximately RMB29,093.3 million for the year ended 31 December 2018, representing a growth of approximately 29.4%. According to the 2018 Annual Report, the increase in the revenue of the Health Business was mainly attributable to (i) 60 products launched and more than 550,000 customers has been already accumulated by Fosun United Health Insurance Company Limited, where its insurance income generated nationwide has amounted to approximately RMB520.1 million, representing an increase of approximately 782.0% for the year ended 31 December 2018; and (ii) maternity and infant business in Health Business of the Group, such as Babytree, one of the largest and most active maternity and child-focused community platforms in China and Qinbaobao, matures and grows with a unique value positioning.

The revenue of the Happiness Business increased from approximately RMB13,541.3 million for the six months ended 30 June 2018 to approximately RMB30,893.3 million for the six months ended 30 June 2019, representing an increase of approximately 128.1%. According to the Interim Announcement, the increase in revenue of Happiness Business was mainly attributable to the substantial increase in revenue growth from Fosun Tourism Group (“FTG”) over the same period of last year, and the revenue consolidation generated from Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. into the financial statements of the Group after the completion of the reorganisation in July 2018. Similarly, the revenue of the Happiness Business increased from approximately RMB25,455.6 million for the year ended 31 December 2017 to approximately RMB44,155.3 million for the year ended 31 December 2018, representing a growth of approximately 73.5%. According to the 2018 Annual Report, the increase in revenue of the Happiness Business was mainly attributable to the abovementioned revenue consolidation, as well as the revenue increase brought by the business expansion of Club Med SAS and the opening of Atlantis Sanya of FTG.

1.2 Reasons for the adoption of the Share Award Scheme

On 28 August 2019, the Board resolved to award an aggregate of 420,000 Award Shares to 10 Selected Participants under Share Award Scheme, of which 288,500 New Award Shares represent approximately 0.0034% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.0034% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

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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 2019 Second Award are all the newly joined management staff and the intelligent technology professionals of the Group. The Board considers that the award of the Award Shares to the newly-joined management staff and the intelligent technology professionals will allow the Group to attract talents for the continual operation and development of the Group. The award of the Award Shares to the Selected Participants will promote the Group's future development.

According to the 2018 Annual Report, 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 2019 Second Award, with a view to further motivate newly-joined and current 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. 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 scheme mentioned above, it is a common practice for public companies (in particular technology-driven companies) to adopt such scheme 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. 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 newly joined management staff and intelligent technology professionals, we (i) discussed with the management of the Company that, it is crucial to provide attractive equity compensation to attract high-calibre employees from the high-tech and internet industries to maintain the competitive edge as a technology-driven consumer group; (ii) have reviewed resumes of four Selected Participants, all of which had more than 10 years of relevant working experience in the fields of either business management or high-tech and internet industries; (iii) as disclosed in the section headed "Principal terms of the 2019 Second Award" below, found that it is a common practice to issue award shares to employees, senior management and/or directors. Since the Company had awarded award shares to 92 core personnel (including Directors and senior management) on 27 March 2019, the Group does not intend to grant them more Award Shares. Based on the above, we are of the view that the granting of Award Shares to the newly joined management staff and intelligent technology professionals is fair and reasonable.

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

We have also discussed with the management of the Company regarding the benefits of the 2019 Second 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 2019 Second Award. After careful consideration of the various alternatives, the Directors consider the 2019 Second Award to be the most appropriate given that, as opposed to the other alternatives, the 2019 Second 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 2019 Second Award are dependent on the improvement in the share price of the Group and hence the Selected Participants can only benefit when all the Shareholders are also in a position to benefit, the Directors are thus of the view that the 2019 Second Award will further align the interests of the Selected Participants with the Company together with the Shareholders.

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

2. Principal terms of the 2019 Second Award

As set out in the Letter of the Board, the grant of the 420,000 Award Shares to the Selected Participants of which 288,500 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 EGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

Vesting period of the Award Shares under the 2019 Second Award

Subject to the satisfaction of the vesting criteria and conditions of the 2019 Second Award, the Award Shares awarded under the 2019 Second Award shall be transferred to the Selected Participants upon expiry of the following vesting period: (i) 33% vesting on 28 August 2020; (ii) 33% vesting on 28 August 2021; and (iii) 34% vesting on 28 August 2022. On each of the above vesting dates, the Company is entitled to adjust the actual amount of Award Shares that can be vested to the respective Selected Participants under the 2019 Second 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 2019 Second 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.

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To assess the fairness and reasonableness on the adoption of the 2019 Second Award and the vesting period of the Award Shares, we have, to our best effort and knowledge, identified 14 comparable companies which are listed on the Main Board of the Stock Exchange and had announced the grant of awarded shares to their respective employees, senior management and/or directors in the approximate 3-month period immediately before the Board resolved to award Awarded Shares (i.e. the period from 1 June 2019 to 28 August 2019) (the “**Comparable Grants**”). Shareholders should note that the business, operations and financial performance of the companies offering the Comparable Grants are not the same as the Company and we have not conducted any in-depth investigation into the businesses and operations of the companies offering the Comparable Grants. However, we consider that the Comparable Grants could provide the Independent Shareholders with a general reference of companies listed on the Main Board of the Stock Exchange granting awarded shares and the length of the vesting period. Set out below is a comparison of the Comparable Grants:

Company name (Stock Code)	Date of announcement	Number of grantee(s)	Vesting date/period
WuXi Biologics (Cayman) Inc. (Stock Code: 2269)	20 August 2019	335 grantees	Not disclosed
IGG Inc (Stock Code: 799)	19 August 2019	Certain number of grantees	25% on 19 August 2020 25% on 19 August 2021 25% on 19 August 2022 25% on 19 August 2023
Xiaomi Corporation (Stock Code: 1810)	19 July 2019	20,538 grantees	One year
Genscript Biotech Corporation (Stock Code: 1548)	19 July 2019	Certain number of grantees	Not disclosed
3SBio Inc. (Stock Code: 1530)	17 July 2019	37 grantees	50% in 2019 50% in 2020
O-Net Technologies (Group) Limited (Stock Code: 877)	15 July 2019	Certain number of grantees	Not disclosed
Da Ming International Holdings Limited (Stock Code: 1090)	12 July 2019	Five grantees	19 July 2019
Tencent Holdings Limited (Stock Code: 700)	8 July 2019	23,271 grantees	Not disclosed

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Company name (Stock Code)	Date of announcement	Number of grantee(s)	Vesting date/period
HC Group Inc. (Stock Code: 2280)	8 July 2019	26 grantees	40% on 8 January 2020 30% on 8 January 2021 30% on 8 January 2022
Asia Satellite Telecommunications Holdings Limited (Stock Code: 1135)	3 July 2019	15 grantees	25% on 2 July 2021 25% on 2 July 2022 25% on 2 July 2023 25% on 2 July 2024
Zhengye International Holdings Company Limited (Stock Code: 3363)	26 June 2019	101 grantees	26 June 2019
Da Ming International Holdings Limited (Stock Code: 1090)	14 June 2019	245 grantees, including more than five connected and deemed connected persons	21 June 2019
WuXi Biologics (Cayman) Inc. (Stock Code: 2269)	5 June 2019	846 grantees	Not disclosed
China Mengniu Dairy Company Limited (Stock Code: 2319)	5 June 2019	Certain number of grantees	50% 5 June 2020 50% 5 June 2021

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

Forfeiture of the Award Shares under the 2019 Second Award

According to the 2019 Second 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

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Participant's employment; and (iv) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their sole discretion. Shareholders may refer to the sub-section headed "12. Cessation as an Eligible Person" as contained in the announcement of the Company dated 25 March 2015 for further details of the clauses leading to the Award Shares under the 2019 Second Award being forfeited.

Market price of the Award Shares under the 2019 Second Award

Based on the closing price of HK\$9.95 per Share as quoted on the Stock Exchange as at 28 August 2019, being the date of the Announcement, and the closing price of HK\$9.99 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the aggregate market value of the 420,000 Award Shares under the 2019 Second Award was HK\$4,179,000 and HK\$4,195,800, 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 2019 Second Award

After granting of the Award Shares under the 2019 Second 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 by the Company as a result of the issue and allotment of the New Award Shares.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that although the allotment and issue of 2019 Second Award is not in the ordinary and usual course of business of the Group, the terms of the issue and allotment of the New Award Shares and the 2019 Second Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and the issue and allotment of the New Award Shares and the 2019 Second Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM 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 ⁽¹⁾	Corporate	70.76%
Chen Qiyu	Ordinary	17,418,000	Individual	0.20%
Xu Xiaoliang	Ordinary	14,985,000	Individual	0.18%
Qin Xuetao	Ordinary	15,797,640	Individual	0.18%
Wang Can	Ordinary	10,035,000	Individual	0.12%
Gong Ping	Ordinary	9,935,000	Individual	0.12%
Zhang Shengman	Ordinary	780,000	Individual	0.01%
Zhang Huaqiao	Ordinary	430,000	Individual	0.01%
David T. Zhang	Ordinary	130,000	Individual	0.00%
Yang Chao	Ordinary	120,000	Individual	0.00%
Lee Kai-Fu	Ordinary	85,000	Individual	0.00%

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

Name of Director/ chief executive	Name of associated corporation	Class of shares	Number of shares/Amount of debentures	Type of interests	Approximate percentage of class shares in issue/ debentures
Guo Guangchang	Fosun Holdings	Ordinary	1	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	85.29%
	Fosun Phama ⁽⁴⁾	A Shares ⁽³⁾	114,075	Individual	0.01%
		A Shares ⁽³⁾	938,095,290	Corporate	46.65%
		H Shares	34,993,500	Corporate	6.34%
	Sisram Medical Ltd FTG ⁽⁵⁾	Ordinary	330,558,800	Corporate	74.76%
	Shanghai Henlius ⁽⁶⁾	Ordinary	1,015,389,932 ⁽²⁾	Corporate	82.22%
Domestic Shares		289,845,387	Corporate	53.76%	
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Phama ⁽⁴⁾	A Shares ⁽³⁾	114,075	Individual	0.01%
Chen Qiyu	Fosun Phama ⁽⁴⁾	A Shares ⁽³⁾	114,075	Individual	0.01%
	FTG ⁽⁵⁾	Ordinary	1,478	Individual	0.00%
Xu Xiaoliang	FTG ⁽⁵⁾	Ordinary	2,328	Individual	0.00%
Qin Xuetang	Fosun Pharma	A Shares ⁽³⁾	114,075	Individual	0.01%
	Fortune Star (BVI) Limited	N/A	2,000,000	Individual	0.14%
Wang Can	FTG ⁽⁵⁾	Ordinary	829	Individual	0.00%
Gong Ping	FTG ⁽⁵⁾	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) Pursuant to Division 7 of Part XV of the SFO, 1,015,389,932 shares of FTG held by Mr. Guo Guangchang are deemed corporate interests held through the Company and Fosun Holdings.
- (3) A Shares mean the equity securities listed on the Shanghai Stock Exchange.
- (4) Fosun Pharma refers to Shanghai Fosun Pharmaceutical (Group) Co., Ltd..
- (5) FTG refers to Fosun Tourism Group.
- (6) Shanghai Henlius refers to Shanghai Henlius Biotech Co., Ltd..

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

SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules.

3. DIRECTORS' INTERESTS

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

4. SERVICE CONTRACTS

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

5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

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

Name of substantial Shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings	6,044,246,673 ⁽²⁾	70.76%
Fosun International Holdings ⁽¹⁾	6,044,246,673 ⁽²⁾⁽³⁾	70.76%

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 at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited financial statements 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:

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

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

As at the Latest Practicable Date, Lego was not interested, directly or indirectly, in any assets which had since 31 December 2018 (being the date to which the latest published audited financial statements 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:

- (a) a copy of the Share Award Scheme;
- (b) the letter from Independent Financial Adviser to the Independent Board Committee and 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.