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

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

**PROPOSED ADOPTION OF
THE LOVELINK SHARE OPTION SCHEME
AND
PROPOSED GRANT OF OPTIONS UNDER
THE LOVELINK SHARE OPTION SCHEME**

A notice convening the AGM to be held at 10:00 a.m. on Thursday, 2 June 2022 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 adjourned meeting should you so wish, and in such event the form of proxy shall be deemed to be revoked.

For details of the precautionary measures of the AGM, please refer to the notice of AGM of the Company dated 27 April 2022.

27 April 2022

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 10:00 a.m. on Thursday, 2 June 2022 at 39th Floor, Tower S1, the Bund Finance Center, 600 Zhongshan No. 2 Road (E), Huangpu District, Shanghai, China or any adjournment thereof (as the case may be) for the purpose of, among others, considering and approving the proposed adoption of the Lovelink Scheme and the proposed grant of Options under the Lovelink Scheme
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Baihe Jiayuan”	Baihe Jiayuan Network Group Co., Ltd* (百合佳緣網絡集團股份有限公司), a limited liability company established in the PRC and principally engaged in the provision of couple matchmaking, wedding and community entertainment services and a non wholly-owned insignificant subsidiary of the Company as at the Latest Practicable Date and will become subsidiary of Lovelink upon completion of corporate restructuring
“Baihe Jiayuan Group”	Baihe Jiayuan and its subsidiaries
“Board”	the board of the directors of the Company
“Business Day”	any day (excluding Saturday and Sunday) on which the Hong Kong Stock Exchange generally is open for business of dealing in securities
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 Hong Kong Stock Exchange (Stock Code: 00656)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date on which the Option(s) are granted to a Participant
“Director(s)”	the director(s) of the Company
“Exercise Period”	has the meaning ascribed thereto in the Appendix to this circular

DEFINITIONS

“Exercise Price”	the price per Lovelink Share at which a Grantee may subscribe for the Lovelink Share(s) upon the exercise of an Option
“Grant Letter”	has the meaning ascribed thereto in the Appendix to this circular
“Grantee(s)”	any Participant who is granted the Option(s) in accordance with the terms and conditions of the Lovelink Scheme
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“insignificant subsidiary”	has the meaning ascribed to it under the Listing Rules
“Latest Practicable Date”	19 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange as amended from time to time
“Lovelink”	Lovelink Inc. (復愛合緣有限公司), a company incorporated in the Cayman Islands and an insignificant subsidiary of the Company as at the Latest Practicable Date, of which the Baihe Jiayuan Group will become subsidiaries upon completion of corporate restructuring
“Lovelink Board”	the board of the Lovelink Directors
“Lovelink Director(s)”	the director(s) of Lovelink
“Lovelink Group”	Lovelink and its subsidiaries (including the Baihe Jiayuan Group) upon completion of corporate restructuring
“Lovelink Scheme”	the share option scheme proposed to be adopted by Lovelink, the principal terms of which are set out in the Appendix to this circular
“Lovelink Scheme Administration Committee”	a committee to be set up by the Lovelink Board for administering day-to-day affairs of the Lovelink Scheme
“Lovelink Share(s)”	the share(s) of Lovelink
“Option(s)”	options(s) granted or to be granted to subscribe for the Lovelink Shares pursuant to the Lovelink Scheme
“Participant(s)”	has the meaning ascribed thereto in the Appendix to this circular

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares
“%”	per cent

* *For identification purpose only*

LETTER FROM THE BOARD

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

Executive Directors:

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

Registered Office:

Room 808
ICBC Tower
3 Garden Road
Central
Hong Kong

Non-executive Directors:

Ms. Chen Shucui
Mr. Zhuang Yuemin
Mr. Yu Qingfei

Independent Non-executive Directors:

Mr. Zhang Shengman
Mr. Zhang Huaqiao
Mr. David T. Zhang
Dr. Lee Kai-Fu
Ms. Tsang King Suen Katherine

27 April 2022

To the Shareholders

Dear Sirs or Madams,

**PROPOSED ADOPTION OF
THE LOVELINK SHARE OPTION SCHEME
AND
PROPOSED GRANT OF OPTIONS UNDER
THE LOVELINK SHARE OPTION SCHEME**

I. INTRODUCTION

The purpose of this circular is to provide you with details of the ordinary resolutions to be proposed for voting at the AGM relating to the proposed adoption of the Lovelink Scheme and the proposed grant of Options under the Lovelink Scheme to enable you to make informed decisions.

LETTER FROM THE BOARD

II. PROPOSED ADOPTION OF THE LOVELINK SCHEME

The Lovelink Board proposed to adopt the Lovelink Scheme to provide the Participants with the opportunity to acquire equity interests in Lovelink. It aims to attract, motivate and retain core members who make significant impact and contribution to the development of the Lovelink Group. It targets to stimulate the proactivity, sense of responsibility, mission and entrepreneurial spirit of the management team and core members of the Lovelink Group so that the Lovelink Group can establish successful business model and achieve profit and listing of the Lovelink Shares on recognized stock exchange (the “**Target IPO**”) as soon as possible.

The rules of the Lovelink Scheme do not stipulate a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option may be exercised. However, under the Lovelink Scheme, the Lovelink Board may at its discretion specify any conditions which must be satisfied before an Option may be exercised in the Grant Letter whereby such Option is offered. The Lovelink Board believes that this will provide it with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Lovelink Board’s aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Lovelink Group and for the benefit of the Group and the Shareholders as a whole.

The Lovelink Scheme Administration Committee will be responsible for administering the Lovelink Scheme. There was no trustee appointed for the purpose of the Lovelink Scheme as at the Latest Practicable Date. In the event that a trustee is appointed in respect of the Lovelink Scheme in the future, the Company and Lovelink will ensure that no Director(s) nor the Lovelink Director(s) will become such a trustee or has any direct or indirect interest in such a trustee.

The total number of Lovelink Shares which may be issued upon exercise of all Options to be granted under the Lovelink Scheme and any other scheme must not in aggregate exceed 10% of the Lovelink Shares in issue as at the date of adoption of the Lovelink Scheme. Options lapsed in accordance with the terms of the Lovelink Scheme and any other share option schemes of Lovelink will not be counted for the purpose of calculating such 10% scheme mandate limit. The maximum aggregate number of Lovelink Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Lovelink Scheme and any other share option scheme of Lovelink must not exceed 30% of the total number of Lovelink Shares in issue from time to time.

The total number of new Lovelink Shares which may be issued upon the exercise of all Options to be granted under the Lovelink Scheme will be 120,087,541 Lovelink Shares, representing approximately 10% of 1,200,875,415 Shares (being the total number of issued Lovelink Shares as at the date of adoption of the Lovelink Scheme).

As Lovelink is a subsidiary of the Company, the Lovelink Scheme is subject to the approval by the Shareholders at the AGM in accordance with Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

The adoption of the Lovelink Scheme is conditional upon:

- (i) the passing of a resolution of the Board and the Lovelink Board approving the adoption of the Lovelink Scheme;
- (ii) the passing of an ordinary resolution at the AGM approving the adoption of the Lovelink Scheme; and
- (iii) the completion of the corporate restructuring of the Lovelink Group.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the resolution relating to the proposed adoption of the Lovelink Scheme and therefore, no Shareholder is required to abstain from voting in respect of this resolution at the AGM.

The Company will, where applicable, comply with the relevant requirements of Chapter 14 of the Listing Rules in connection with the deemed disposal as a result of the exercise of Options under the Lovelink Scheme, which may reduce the shareholding of the Company in Lovelink. If Lovelink grants any Options to connected persons of the Company under the Lovelink Scheme, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, as the highest applicable percentage ratio applied in accordance with Rule 14.07 of Listing Rules in respect of the issuance of the maximum equity capital allowed to be granted pursuant to the Lovelink Scheme is less than 5%, this does not constitute a discloseable transaction under Chapter 14 of the Listing Rules. The Company will continuously assess the impact of any grant under the Lovelink Scheme and will comply with the requirements under Chapter 14 and Chapter 14A of the Listing Rules, where appropriate.

A summary of the principal terms of the Lovelink Scheme to be adopted is set out in the Appendix to this circular.

A copy of the Lovelink Scheme will be published on the websites of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.fosun.com> for not less than 14 days before the date of the AGM and a copy of the Lovelink Scheme is available for inspection at the AGM.

III. PROPOSED GRANT OF OPTIONS BY LOVELINK

Subject to the fulfilment of all the conditions for the adoption of the Lovelink Scheme, the Lovelink Board proposed to conditionally grant Options under the Lovelink Scheme that are entitled to subscribe for 18,525,000 Lovelink Shares to Mr. Wu Linguang (吳琳光) (“**Mr. Wu**”), being the executive director and chief executive officer of Lovelink, representing approximately 1.54% of 1,200,875,415 Shares (being the total number of issued Lovelink Shares as at the date of adoption of the Lovelink Scheme).

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The details of the proposed grant of Options to Mr. Wu are set out below: –

Number of Lovelink Shares in respect of the Options to be granted: 18,525,000 Lovelink Shares

Exercise Price: RMB3.09

Validity period of the Options granted: 7 years from the Date of Grant

Vesting criteria: Subject to the adoption of the Lovelink Scheme and the Shareholders' approval at the AGM relating to the proposed grant to Mr. Wu, the Options shall be vested in accordance with the following schedules:

- i) 7,262,500 Options shall be vested immediately upon the date of the adoption of the Lovelink Scheme;
- ii) 4,631,250 Options shall be vested on 30 June 2023;
- iii) 4,631,250 Options shall be vested on 30 June 2024; and
- iv) 2,000,000 Options shall be vested on 30 June 2025.

Notwithstanding the foregoing or anything to the contrary, the exercise of the Options proposed to be granted to Mr. Wu shall be subject to and conditional upon the fulfillment of certain performance targets as the Lovelink Board or the Lovelink Scheme Administration Committee may determine at its sole discretion in accordance with the Lovelink Scheme.

Reasons for the proposed grant of Options to Mr. Wu

Mr. Wu, an executive director and chief executive officer of Lovelink, is principally responsible for couple matchmaking, wedding and community entertainment services of the Lovelink Group. Mr. Wu joined Jiayuan.com International Ltd.* (世紀佳緣交友網國際有限公司) (“**Jiayuan.com**”) in 2012 and was the chief executive officer and executive director of Jiayuan.com, which was then merged with Baihe Co., Ltd.* (百合網股份有限公司) in 2015 and became Baihe Jiayuan. Mr. Wu has become the chief executive officer of Baihe Jiayuan since 2017.

The proposed grant of Options to Mr. Wu is to provide him with the opportunity to acquire proprietary interests in Lovelink and to encourage him to work towards enhancing the value of Lovelink and the Lovelink Shares for the benefit of Lovelink and its shareholder(s) as a whole. Mr. Wu is a key figure to the Lovelink Group and has devoted his services to the Lovelink Group for

LETTER FROM THE BOARD

nearly 10 years, and made a treasured contribution to the growth of the business of the Lovelink Group. Now serving as an executive director and chief executive officer of Lovelink, Mr. Wu continues to guide the Lovelink Group in strategic planning and business development as well as lead the management in implementing the business strategies of the Lovelink Group.

The Lovelink Board believes that the proposed grant provides Mr. Wu with an incentive for his commitment and contribution to further apply his expertise, experience and leadership skills to the growth of the Lovelink Group in the future. The Lovelink Board also believes that the proposed grant of Options to Mr. Wu would help maximize shareholder value by aligning senior managements and shareholders' interests.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the proposed grant of Options to Mr. Wu are fair and reasonable.

Listing Rules Implications

As the total number of Lovelink Shares issued and to be issued upon exercise of the Options that proposed to be granted to Mr. Wu would in 12-month period exceed 1% of the number of the relevant class of Lovelink Shares in issue, the proposed grant of such Options to and acceptance thereof by Mr. Wu is conditional upon (i) the fulfilment of all conditions for the effective adoption of the Lovelink Scheme; and (ii) the passing of an ordinary resolution at the AGM approving the proposed grant, with Mr. Wu and his close associates abstaining from voting. As at the Latest Practicable Date, save that Mr. Wu had 400,000 share options granted by the Company, which shall entitle Mr. Wu to subscribe for 400,000 Shares, representing approximately 0.005% of the total number of Shares in issue (i.e. 8,311,781,924 as at the Latest Practicable Date), neither Mr. Wu nor any of his close associates were interested in any Shares.

As at the Latest Practicable Date, other than the 18,525,000 Options proposed to be granted to Mr. Wu, no other share option entitled to subscribe for the Lovelink Share was granted to Mr. Wu.

IV. RESPONSIBILITY STATEMENT

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

V. THE AGM

A notice convening the AGM to be held at 10:00 a.m. on Thursday, 2 June 2022 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

LETTER FROM THE BOARD

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 adjourned meeting should you so wish, and in such event the form of proxy shall be deemed to be revoked.

VI. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VII. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the resolutions relating to (i) the proposed adoption of the Lovelink Scheme; and (ii) the proposed grant of Options to Mr. Wu are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,
Fosun International Limited
Guo Guangchang
Chairman

The following is a summary of the principal terms of the Lovelink Scheme proposed to be adopted at the AGM.

1. PURPOSE OF THE LOVELINK SCHEME

The purpose of the Lovelink Scheme is to provide the Participants with the opportunity to acquire equity interests in Lovelink. It aims to attract, motivate and retain core members who make significant impact and contribution to development of the Lovelink Group. It targets to stimulate the proactivity, sense of responsibility, mission and entrepreneurial spirit of the management team and core members of the Lovelink Group so that the Lovelink Group can establish successful business model and achieve profit and the Target IPO as soon as possible.

2. PARTICIPANTS OF THE LOVELINK SCHEME AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

The Participants include any director (including non-executive director and independent non-executive director, where applicable), employees who have passed their probation, in particular, core staff and technical backbone, such as the person-in-charge or management personnel of various departments of headquarters of the Lovelink Group, and special talents or business partners (including any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, service providers as well as other senior management of the Group which have contributed to the Lovelink Group), which are not subject to the restrictions of rank, probation period and other conditions.

The basis of eligibility of any of the above classes of Participants shall be determined by the Lovelink Board from time to time on the basis of the Lovelink Board's opinion, as to such Participant's contribution to the business development and growth of the Lovelink Group. In particular, in determining the criteria for the Participants who are not employees or directors of any member of the Lovelink Group or the Group, the Lovelink Board will take into account a wide range of factors, including but not limited to, (i) his/her/its potential and/or actual contribution to the business affairs of and benefits to the Lovelink Group (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Lovelink Group, and bringing innovation, new talents and expertise to the Lovelink Group), with regard to the quality or importance of services/goods provided/supplied or expected to be provided/supplied by such Participants to the Lovelink Group, and the actual or expected change in the Lovelink Group's performance which is or may be attributable to the provision or supply of such services/goods; and/or (ii) the potential/actual degree of involvement in and/or cooperation with the Lovelink Group with regard to the period of engagement/cooperation/business relationship with the Lovelink Group; and/or (iii) whether he/she is regarded as a valuable human resource of the Lovelink Group based on his/her work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Lovelink Group, external business connections, strategic value, and repute and credibility); and/or (iv) whether they have contributed to the business development of the Lovelink Group; and/or (v) whether they will contribute to the medium-to-long-term business development of any members of the Lovelink Group.

3. MAXIMUM NUMBER OF LOVELINK SHARES SUBJECT TO OPTIONS

The total number of the Lovelink Shares which may be issued upon the full exercise of all Options to be granted under the Lovelink Scheme shall not exceed 10% of the total number of Lovelink Shares in issue as the date of adoption of the Lovelink Scheme.

Unless approved by the Shareholders, the total number of the Lovelink Shares issued and to be issued upon exercise of the Options granted and to be granted to each Grantee or Participant (as the case may be) (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the number of the relevant class of Lovelink Shares in issue. For so long as Lovelink remains a subsidiary of the Company, any further grant of Options to the Grantee or Participant (as the case may be) would result in Lovelink Shares issued and to be issued upon exercise of all Options granted and to be granted to a Grantee or a Participant (as the case may be) (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing an aggregate over 1% of the number of the relevant class of Lovelink Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting in advance with such Grantee or Participant (as the case may be) and his or her close associates, or his or her associate(s) if the Grantee or Participant (as the case may be) is a connected person abstaining from voting. A circular with relevant information as required under the Listing Rules must be sent to the Shareholders disclosing the identity of the Grantee or Participant (as the case may be) and the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such Grantee or Participant (as the case may be), shall be fixed before such Shareholders' approval(s) is/are sought and the date of the meeting of the Lovelink Board for proposing such further grant should be taken as the Date of Grant.

Any grant of Options under the Lovelink Scheme to any of the Directors, chief executives or substantial Shareholders of the Company or any of their respective associate(s), shall be subject to the prior approval of the independent non-executive Directors, excluding any independent non-executive Director who is a proposed Grantee.

For so long as Lovelink remains a subsidiary of the Company, any further grant of Options to any of the substantial Shareholders or independent non-executive Directors or any of their respective associate(s) shall be subject to the approval of the independent Shareholders at the general meetings if any such Option granted will cause the aggregate number of the Lovelink Shares issued and to be issued upon exercise of all the Options granted or to be granted to such person in the 12-month period up to the date (inclusive) on which such Options are granted, including the Options that are exercised, cancelled and outstanding, to exceed 0.1% of total number of the relevant class of Lovelink Shares in issue and having an aggregate value of HK\$5 million based on the closing price of the Lovelink Shares at the Date of Grant if Lovelink Share is listed on the relevant stock exchange (or the Fair Value (as defined below)).

Any Grantee and his/her associate(s), and all the core connected persons of the Company shall abstain from voting for the relevant resolution at such general meetings, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to the Shareholders in connection therewith. The Company shall despatch a circular containing

the information as required by the Hong Kong Stock Exchange from time to time, including the recommendation of the independent non-executive Directors, excluding any independent non-executive Director who is a proposed Grantee, on whether to vote for the proposed grant of such Options.

4. BASIS OF DETERMINATION OF THE EXERCISE PRICE

The Exercise Price for the first batch of Options to be granted after the adoption of the Lovelink Scheme shall be RMB3.09 per Lovelink Share. For subsequent grant, the Exercise Price shall be determined with reference to the fair value per Lovelink Share (the “**Fair Value**”), which shall be either (i) the most recent equity transaction price for the Lovelink Share; or (ii) if there is not any equity transaction involving Lovelink Share in the 12-month period immediately prior to the Date of Grant, RMB3.09 per Lovelink Share (which is the Exercise Price for the first batch of grant) which shall be increased by 8% per annum. The Fair Value shall not be lower than the Exercise Price for the first batch of grant and the most recent audited net asset value per Lovelink Share. After listing of the Lovelink Shares, the Fair Value shall be the trading price as quoted on the relevant stock exchange. The Exercise Price may be adjusted in accordance with paragraph 11 of this Appendix.

For so long as Lovelink remains a subsidiary of the Company, no Option may be granted at an Exercise Price lower than the new issue price (if any) either after the Company has resolved to seek the Target IPO or during the period commencing 6 months before the lodgement of an application with the relevant stock exchange for the Target IPO (whichever is earlier) up to the date of completion of the Target IPO. In such event, subject to the applicable rules and regulations and the Listing Rules, the Lovelink Board shall have the discretion to adjust the Exercise Price granted during such period to not be lower than the new issue price (if any).

5. GRANT OF OPTIONS

Subject to and in accordance with the terms of the Lovelink Scheme, the Lovelink Directors or chief executive officer of Lovelink shall have the discretion of granting Options at any time as it deems appropriate to Participants, who are core staff and technical backbone of the Lovelink Group or to any Participant with outstanding performance or special contribution to the Lovelink Group, such as the fulfilment of the following conditions:

- (i) 100% fulfilment of profit target and satisfactory results from the Lovelink Group’s annual assessment; or
- (ii) completion of special milestone objectives as determined by the Lovelink Board in the relevant year.

Each grant of Option shall be in writing made to a Participant by letter in such form as may be determined by the Lovelink Board (the “**Grant Letter**”). The Grant Letter shall state, among others, the Date of Grant, number of Options granted and the vesting conditions and schedule. The Lovelink Board may specify any other conditions which must be satisfied before Option can be granted and/or vested including but not limited to performance targets and/or special contributions (if any) and minimum periods for which an Option must be held before it can be exercised in whole or in part (if any).

6. DURATION OF THE LOVELINK SCHEME

The Lovelink Scheme shall be valid and effective for a period of 10 years commencing from the date of adoption, after which no further Options shall be granted but the provisions of the Lovelink Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the terms of grant.

7. EXERCISE PERIOD

Unless otherwise determined by the Lovelink Board, each batch of grant shall be valid for a period of 7 years from the Date of Grant, and in any event, the Exercise Period must not be more than 10 years from the Date of Grant. The actual Exercise Period shall commence from the date of vesting of the Options until the expiry of the validity period for each batch of grant, subject to the condition that no Option shall be exercised prior to completion of the Target IPO and the Options can only be exercised during the period designated by Lovelink on an annual basis. Those unexercised Options shall lapse upon the expiry of the Exercise Period in accordance with the terms of the Lovelink Scheme.

8. PAYMENT ON APPLICATION OR ACCEPTANCE OF OPTIONS

No payment is required to be made by the Grantee for the acceptance of Options under the Lovelink Scheme.

9. RIGHTS ATTACHING TO THE OPTIONS AND RANKING OF SHARES

The Grantees shall not be entitled to voting rights, rights to dividend, transfer or any other rights (including rights arising from the liquidation of Lovelink) as the holder of the Options.

The shares to be issued upon the exercise of the Options to be granted under the Lovelink Scheme are Lovelink Shares. The Lovelink Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of Lovelink for the time being in force, and will rank *pari passu* in all respects with the fully paid Lovelink Shares in issue on the date of allotment, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date, which shall be before the date of allotment, save that the Lovelink Share allotted upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered into the register of members of Lovelink as a holder thereof. No dividends shall be payable and no voting rights shall be exercisable in relation to the Options that have not been exercised.

10. LAPSE OF THE OPTIONS

The Options shall lapse upon the expiry of the Exercise Period. Further, in any of the following circumstances, the Options which have been granted but not yet vested shall lapse immediately:

- (a) change of position of the Grantee due to internal work reallocation but new position does not fulfil the vesting condition;

- (b) termination of employment relationship due to resignation on his/her own initiative, retirement, death, loss of working capability or expiry of contract terms of the Grantee; or
- (c) layoff by the Lovelink Group due to non-fulfilment of performance targets or being deemed as incompetent for the job or improper behaviour (such as breach of laws, regulations and misconduct) or breach of any agreement with the Lovelink Group.

In any of the following circumstances, assuming after the completion of the Target IPO, the Options which have been vested but not yet exercised shall be exercised (by the Grantee or his/her representative, where applicable) within 90 days after occurrence of such event or the day of consent given by the Lovelink Board (which shall not be later than the earlier of the earliest date for exercise of Options according to relevant stock exchange regulation and one year before the expiry of the Exercise Period), whichever is later, otherwise, the said Options shall lapse accordingly:

- (a) change of position of the Grantee due to internal work reallocation but new position does not fulfil the vesting condition;
- (b) termination of employment relationship due to resignation on his/her own initiative, retirement, death, loss of working capability or expiry of contract terms of the Grantee; or
- (c) layoff by the Lovelink Group as a result of non-fulfilment of performance targets or being deemed as incompetent for the job.

In the event of improper behaviour (such as breach of laws, regulations and misconduct) or breach of any agreement with the Lovelink Group by the Grantee, the Lovelink Board shall determine whether the Options which have been vested but not yet exercised shall be deemed as lapse or not. Lovelink also reserves rights to claim against the Grantee for any losses suffered as a result of his/her improper behaviour (such as breach of laws, regulations and misconduct) or breach of any agreement with the Lovelink Group.

11. ADJUSTMENT TO THE NUMBER OF OPTIONS AND THE EXERCISE PRICE

Adjustment to the number of Options

In the event of any share subdivision, share consolidation, rights issue or occurrence of any other scenarios concerning the Lovelink Shares since the Date of Grant, with a view to maintaining the interest obtained by the Grantees through exercise of Options, the number of Options to be granted to Grantees shall be adjusted as follows:

- (a) *Capitalization of capital reserve, bonus issue or share subdivision*

$$Q = Q_0 \times (1 + n)$$

where: Q_0 represents the number of Options before adjustment; n represents the ratio of the capitalization of capital reserve, bonus issue or share subdivision; Q represents the number of Options after adjustment.

(b) *Share consolidation*

$$Q = Q_0 \times n$$

where: Q_0 represents the number of Options before adjustment; n represents the share consolidation ratio; Q represents the number of Options after adjustment.

(c) *Dividend distribution or issue of new shares*

No adjustment will be made to the number of Options in the above circumstances.

(d) *Other scenarios*

If any other adjustment is needed, for so long as Lovelink remains a subsidiary of the Company, such adjustment shall be subject to the prior consultation and approval from the Hong Kong Stock Exchange and compliance with the requirements under Chapter 17 of the Listing Rules.

Adjustment to Exercise Price

In the event of any share subdivision, share consolidation, rights issue and other scenarios concerning Lovelink Shares before the exercise of the Options, the Exercise Price shall be adjusted as follows:

(a) *Capitalization of capital reserve, bonus issue or subdivision of shares*

$$P = P_0 \div (1 + n)$$

where: P_0 represents the Exercise Price before adjustment; n represents the ratio of capitalization of capital reserve, bonus issue or share subdivision; P represents the Exercise Price after the adjustment.

(b) *Share Consolidation*

$$P = P_0 \div n$$

where: P_0 represents the Exercise Price before adjustment; n represents the share consolidation ratio; P represents the Exercise Price after adjustment.

(c) *Distribution of dividends or issue of new shares*

No adjustment will be made to the Exercise Price in the above circumstances.

(d) Other scenarios

If any other adjustment is needed, for so long as Lovelink remains a subsidiary of the Company, such adjustment shall be subject to the prior consultation and approval from the Hong Kong Stock Exchange and compliance with the requirements under Chapter 17 of the Listing Rules.

Any adjustment(s) required must give the Participants the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Lovelink Share would be issued at less than its nominal value (if any). In respect of any such adjustments, other than any made on a capitalization of capital reserve, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements stated herein.

12. OTHERS

If the Company ceases to be the controlling shareholder of Lovelink, (i) the vesting of the Options will be accelerated for unvested Options; and (ii) the Lovelink Board has the discretion to pay the difference between the Fair Value and the Exercise Price in cash to the Grantee for the vested but unexercised Options.

13. CANCELLATION OF OPTIONS GRANTED BUT NOT EXERCISED

Lovelink may cancel the Options granted to, but not exercised by, the Grantee if the Grantee breaches any rules of the Lovelink Scheme.

Any Options granted but not exercised may also be cancelled if the Grantee so agrees.

14. TRANSFERABILITY OF THE OPTIONS

No Options granted under the Lovelink Scheme shall be transferred by the Grantees.

15. TERMINATION OF THE OPERATION OF LOVELINK SCHEME

The Lovelink Scheme may be terminated by the Lovelink Board or the shareholders of Lovelink at a general meeting prior to the expiry of the Lovelink Scheme.

In such event, no further Option will be granted but the terms of the Lovelink Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the terms of the Lovelink Scheme.

16. ALTERATION OF THE LOVELINK SCHEME

The Lovelink Board may, subject to the Lovelink Scheme, amend any of the provisions of the Lovelink Scheme (including, without limitation, amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Lovelink Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Participant at that date).

Those specific provisions of the Lovelink Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, without the prior approval of the shareholders of Lovelink and the Shareholders for as long as Lovelink is a subsidiary of the Company in general meeting. Any alterations to the terms of the Lovelink Scheme which are of a material nature, or any change to the terms and conditions of Options granted, must also, to be effective, be approved by the shareholders of Lovelink and the Shareholders in general meeting for as long as Lovelink is a subsidiary of the Company, except where the alterations take effect automatically under the existing terms of the Lovelink Scheme. The Options and the Lovelink Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Lovelink Directors or the Lovelink Scheme Administration Committee in relation to any alteration to the terms of the Lovelink Scheme must be approved by Shareholders in general meeting for so long as Lovelink remains a subsidiary of the Company.