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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 TO CONNECTED PERSONS
UNDER THE SHARE AWARD SCHEME

**Independent financial adviser to the Independent Board Committee
and the Shareholders of the Company**



A notice convening an annual general meeting (the "AGM") of the Company to be held on Thursday, 28 May 2015 at 10 a.m. at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong as set out in the general mandate circular of the Company and a form of proxy for the AGM are despatched together with this circular. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee to the Shareholders is set out on pages 12 to 13 of this circular.

A letter from Quam Capital Limited, the independent financial adviser to the Independent Board Committee and the Shareholders, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 14 to 22 of this circular.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held for considering and approving, among others, the Award and the Specific Mandate
“Announcement”	announcement made on 26 March 2015 in relation to the issue of new Shares under the Share Award Scheme and connected transaction: issue of new Shares to connected persons under the Share Award Scheme
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	the award of the Connected Award Shares to the Connected Selected Participants
“Award Shares”	the 4,620,000 new Shares of the Company to be issued and allotted in favour of the Selected Participants under the Share Award Scheme as announced in the Announcement
“Board”	the board of Directors
“Company”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose Shares are listed and traded on the main board of the Stock Exchange
“Connected Award Shares”	the 2,190,000 Award Shares awarded to the Connected Selected Participants under the Share Award Scheme
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Connected Selected Participants”	the 19 Selected Participants among the 71 Selected Participants who are Directors and directors of significant subsidiaries of the Company and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) to the Company
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 28 May 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Shareholders in relation to the Award
“Quam Capital Limited ” or “Independent Financial Adviser”	Quam Capital 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 Shareholders
“Independent Selected Participants”	those Selected Participants other than the Connected Selected Participants
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the AGM to approve the Award
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Latest Practicable Date”	17 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Selected Participants”	the 71 eligible persons selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)

DEFINITIONS

“Specific Mandate”	a specific mandate to be sought from the Shareholders at the AGM to allot and issue the Connected Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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”	the trustee appointed by the Company for the purpose of the Trust which will be an independent third party and not be connected with the Company or the Company’s connected persons, and initially, 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. Liang Xinjun (*Vice Chairman and Chief Executive Officer*)
Mr. Wang Qunbin (*President*)
Mr. Ding Guoqi
Mr. Qin Xuetao
Mr. Wu Ping

Non-Executive Director:

Mr. Fan Wei

Independent Non-Executive Directors:

Mr. Zhang Shengman
Mr. Zhang Huaqiao
Mr. David T. Zhang
Mr. Yang Chao

Registered Office:

Room 808, ICBC Tower
3 Garden Road
Central
Hong Kong

24 April 2015

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO CONNECTED PERSONS
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 4,620,000 Award Shares to 71 Selected Participants under the Share Award Scheme, of which 2,190,000 Connected Award Shares will be awarded to 19 Connected Selected Participants by way of issue and allotment of new Shares pursuant to the Specific Mandate. As certain Selected Participants are connected persons of the Company, the issue

LETTER FROM THE BOARD

and allotment of the Connected Award Shares to those Connected Selected Participants constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at the AGM.

The purpose of this circular is to provide you with details of the Award, the recommendation of the Independent Board Committee, and the advice from Quam Capital Limited to the Independent Board Committee and the Shareholders in relation to the Award.

DETAILS OF AWARD OF THE AWARD SHARES

On 26 March 2015, the Board resolved to award an aggregate of 4,620,000 Award Shares to 71 Selected Participants under the Share Award Scheme, of which, (i) 2,430,000 Award Shares will be awarded to 52 Selected Participants by way of issue and allotment of new Shares pursuant to the General Mandate; and (ii) 2,190,000 Connected Award Shares will be awarded to 19 Connected Selected Participants who are Directors and directors of significant subsidiaries of the Company by way of issue and allotment of new Shares pursuant to the Specific Mandate.

Upon issue and allotment of the new Shares, the Trustee will hold the new Shares in trust for the Selected Participants and such new Award Shares shall be transferred to the Selected Participants upon the vesting conditions being met. The number of Award Shares granted to each of the Selected Participants is subject to their respective contributions to the Group at the discretion of the Board.

General Information

The information in relation to the issue and allotment of the 4,620,000 new Award Shares to the Selected Participants is set out below:

Securities to be issued:	4,620,000 new Shares, as to 2,430,000 Award Shares to be issued and allotted to the Independent Selected Participants and as to 2,190,000 Award Shares to be issued and allotted to the Connected Selected Participants
Funds to be raised:	No fund will be raised by the Company as a result of the issue and allotment of the Award Shares
Reasons for the issue:	For better utilization of the resources of the Company, the issue is to make available the Award Shares for granting to Selected Participants under the Share Award Scheme, which forms part of the incentive schemes of the Company that provide incentives to the Selected Participants and will allow the Group to attract and retain talents for the continual operation and development of the Group

LETTER FROM THE BOARD

Identity of the allottee(s): The Trustee, which will hold the Award Shares in trust in accordance with the Trust Deed for the 71 Selected Participants, who are (i) Directors; (ii) management holding the position of vice general manager or above of the functional departments of the Company or the position of executive general manager or above of the business departments; and (iii) senior management of the core affiliated enterprises of the Group

All the Selected Participants have already been with the Group for more than one year as at 31 December 2014 and each of them has met their respective performance evaluation results for the year ended 31 December 2014

Market price of the Shares:

The closing price of the Shares as at 26 March 2015 as quoted on the Stock Exchange is HK\$13.26 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 26 March 2015 as quoted on the Stock Exchange is HK\$13.46 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$19.02 per Share

Vesting:

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

Percentage of Award Shares to be vested	Vesting Date
--	---------------------

33%	25 March 2016
33%	25 March 2017
34%	25 March 2018

As at each of the above vesting dates, the Selected Participants shall have met their respective performance evaluation results for the financial year prior to the date of vesting. The Company is entitled to adjust the actual amount of Award Shares that can be vested to the respective Selected Participants according to their performance evaluation results.

LETTER FROM THE BOARD

Fund raising activities in the past 12 months:

On 9 April 2014, the Company proposed to raise not less than approximately HK\$4,888,631,461 (before expenses), and not more than approximately HK\$5,183,627,461 (before expenses), by way of the rights issue of not less than 500,884,371 rights shares and not more than 531,109,371 rights shares on the basis of 39 rights shares for every 500 Shares held by each qualifying shareholder on the record date at the subscription price of HK\$9.76 per rights share payable in full on acceptance. Save for the rights issue, which was completed on 22 May 2014 with 500,884,371 rights shares being issued, the Company had not engaged in any fund raising exercises in the 12 months immediately preceding the Latest Practicable Date.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save that they are employees of the members of the Group, the Independent Selected Participants are Independent Third Parties.

Award to the Connected Selected Participants

Among those 71 Selected Participants, there are 19 Connected Selected Participants who are Directors and directors of significant subsidiaries of the Company and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) of the Company and the issue and allotment of the 2,190,000 new Connected Award Shares to them under the Share Award Scheme shall constitute a connected transaction under Chapter 14A of the Listing Rules on the part of the Company and shall be subject to the approval by the Independent Shareholders at the AGM.

LETTER FROM THE BOARD

Among the Connected Award Shares mentioned above, 900,000 and 1,290,000 new Award Shares were granted to the following connected persons with details as follows:

	Number of new Award Shares
Directors	
Ding Guoqi	310,000
Qin Xuetang	290,000
Wu Ping	270,000
Zhang Shengman	10,000
Zhang Huaqiao	10,000
David T. Zhang	<u>10,000</u>
Subtotal	<u>900,000</u>
 Directors of the significant subsidiaries of the Company	
Chen Qiyu	250,000
Xu Xiaoliang	190,000
Qian Jiannong	150,000
Kang Lan	150,000
John Changzheng Ma (Ma Changzheng)	130,000
Duan Qiuping	60,000
Li Ming	60,000
Chen Guoping	60,000
Chen Zhihua	60,000
Wang Jiping	60,000
Wang Pinliang	40,000
Xu Yao	40,000
Wu Xiaoyong	<u>40,000</u>
Subtotal	<u>1,290,000</u>
Total	<u><u>2,190,000</u></u>

LETTER FROM THE BOARD

Conditions

The issue and allotment of the 2,190,000 Connected Award Shares to the Connected Selected Participants shall be subject to the following conditions:

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

Details of Award Shares

The aggregate of 4,620,000 new Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.06674% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.06669% of the total number of Shares in issue as enlarged by the issue and allotment of the Award Shares.

The 2,190,000 Connected Award Shares to be issued and allotted to the Connected Selected Participants represent approximately 0.03164% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 0.03161% of the issued share capital of the Company as enlarged by the issue and allotment of the aggregate 4,620,000 Award Shares.

Based on the closing price of HK\$19.02 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market values of the 2,190,000 Connected Award Shares will be HK\$41,653,800.

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.

The conditional approval from the Stock Exchange for the granting of the listing of, and permission to deal in, the 2,190,000 Connected Award Shares has been received by the Company on 31 March 2015.

The General Mandate has not been utilized immediately before the grant of the Award Shares to the Selected Participants.

Reasons for the Award of the Award Shares

The principal businesses of the Group include integrated finance (insurance, investment, asset management and banking and other financial business) and industrial operations (health, happy lifestyle, steel, property development and sales and resource).

LETTER FROM THE BOARD

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

Furthermore, there will not be any actual cash outflow by the Group under the award of the Award Shares to provide incentives to the Selected Participants. In this regard, the Directors (including the independent non-executive 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. As the Connected Selected Participants are Directors and directors of significant subsidiaries of the Company and accordingly connected persons of the Company, the Award constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

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

Pursuant to Chapter 14A of the Listing Rules, the Connected Selected Participants and their respective associates (namely, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping, each of them holding approximately 0.20%, 0.06% and 0.12% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the resolution at the AGM of the Company to approve the Award. Save for the Connected Selected Participants 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 at the AGM.

Mr. Ding Guoqi, Mr. Qin Xuetang, Mr. Wu Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao and Mr. David T. Zhang have abstained from approving the board resolution on the award of the Award Shares to them.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao, all being the independent non-executive Directors, has been formed to advise the Shareholders as to the fairness and reasonableness of the Award. Quam Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard.

LETTER FROM THE BOARD

AGM

A notice convening the AGM of the Company to be held on Thursday, 28 May 2015 at 10 a.m. at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Room, Wanchai, Hong Kong 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 and of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

RECOMMENDATION

The Board considers that the terms of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution regarding the Award and the grant of Specific Mandate to be proposed at the AGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 12 to 13 of this circular which contains its recommendation to the Shareholders as to voting at the AGM in relation to the Award; and (ii) the letter from Quam Capital Limited, which contains its advice to the Independent Board Committee and 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 Quam Capital Limited is set out on pages 14 to 22 of this circular.

The Independent Board Committee, having taken into account the advice of Quam Capital Limited, considers that the Award is on normal commercial terms, and in the ordinary and usual course of business of the Group and that the terms of the Award are fair and reasonable and in the interests of the Company so far as the Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM in relation to the Award.

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)

24 April 2015

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES TO CONNECTED PERSONS
UNDER THE SHARE AWARD SCHEME

We refer to the circular of the Company dated 24 April 2015 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you on whether the terms of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolution regarding the Award.

Quam Capital Limited has been appointed to advise us and the Shareholders as to whether the terms of the Award are fair and reasonable so far as the Shareholders are concerned, whether such terms are in the interests of the Company and the Shareholders as a whole and how to vote on the resolution regarding the Award. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 14 to 22 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 11 of the Circular and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Award and the advice of Quam Capital Limited, we are of the opinion that the terms of the Award are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Award.

Yours faithfully,
Independent Board Committee of
Fosun International Limited

Mr. Zhang Shengman Mr. Zhang Huaqiao Mr. David T. Zhang Mr. Yang Chao

Independent non-executive Directors

LETTER OF ADVICE FROM QUAM CAPITAL LIMITED

The following is the full text of a letter of advice from Quam Capital Limited, the independent financial adviser to the Independent Board Committee and the Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Board Committee and the Shareholders in respect of the Award.



Quam Capital Limited

A Member of The Quam Group

24 April 2015

To the Independent Board Committee and the Shareholders

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

Dear Sirs or Madams,

CONNECTED TRANSACTION ISSUE OF NEW SHARES TO CONNECTED PERSONS UNDER THE SHARE AWARD SCHEME

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Award, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 24 April 2015 (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.

The Board announced on 25 March 2015 that, among other things, the Board adopted the Share Award Scheme. On 26 March 2015, the Board resolved to grant an aggregate of 4,620,000 Award Shares to 71 Selected Participants under the Share Award Scheme, of which, (i) 2,430,000 Award Shares will be awarded to 52 Selected Participants by way of issue and allotment of new Shares pursuant to the General Mandate; and (ii) 2,190,000 Connected Award Shares will be awarded to 19 Connected Selected Participants by way of issue and allotment of new Shares pursuant to the Specific Mandate. The Connected Selected Participants are Directors and the directors of significant subsidiaries of the Company. According to the Letter from the Board, the Award constitutes a connected transaction for the Company and is subject to the reporting,

LETTER OF ADVICE FROM QUAM CAPITAL LIMITED

announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Connected Selected Participants and their respective associates holdings Shares are required to abstain from voting in respect of the resolution approving the Award at the AGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao, has been established to advise the Shareholders as to whether the Award is on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and whether they are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the relevant resolution to be proposed at the AGM to approve the Award and the transactions contemplated thereunder. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Shareholders in such regard.

As at the Latest Practicable Date, Quam Capital Limited did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Quam Capital Limited. In the last two years, there was no engagement between the Group and Quam Capital Limited. Apart from normal professional fees paid or payable to us in connection with 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 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 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 continue to be so until the the Latest Practicable Date of Circular.

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

LETTER OF ADVICE FROM QUAM CAPITAL LIMITED

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 and 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 Award

1.1 Information on the Group

The principal businesses of the Group include integrated finance (insurance, investment, asset management and banking and other financial business) and industrial operations (health, happy lifestyle, steel, property development and sales and resources).

The following table summarises the audited financial information of the Group for the two years ended 31 December 2014 as extracted from the annual results announcement of the Company dated 25 March 2015 (“**2014 Annual Results Announcement**”).

	For the year ended 31 December		Year on year change %
	2013 RMB'000	2014 RMB'000	
Revenue	51,016,883	61,738,449	21.0
<i>Integrated finance</i>			
— Insurance	276,798	7,867,640	2,742.4
— Investment	73,865	670,003	807.1
— Asset management	218,802	360,199	64.6
— Banking and other financial business	—	1,996	
<i>Industrial Operation</i>			
— Health	9,921,487	11,938,243	20.3
— Happy Lifestyle	—	—	
— Steel	26,425,290	27,272,049	3.2
— Property development	11,601,524	12,111,918	4.4
— Resources	2,499,117	1,516,401	(39.3)
Profit before tax	9,761,280	12,705,291	30.2
Profit for the year	7,852,769	9,586,060	22.1

LETTER OF ADVICE FROM QUAM CAPITAL LIMITED

According to the 2014 Annual Results Announcement, the Group has accomplished major improvements on both the financing-end, investment-end as well as the optimisation of the overall asset structure by implementing the “insurance plus investment” twin-driver core strategy in 2014. As noted from the table above, the revenue and profit of the Group grew significantly as compared to the previous year. The revenue of the Group increased from approximately RMB51,016.9 million for the year ended 31 December 2013 to approximately RMB61,738.4 million for the year ended 31 December 2014, representing a growth of approximately 21.0%; whereas profit of the Group grew from approximately RMB7,852.8 million to approximately RMB9,586.0 million, representing a growth of approximately 22.1%.

As an investment group, the Group adheres to the concept of value investment and follows the model of “combining China’s growth momentum with global resources” to invest in a series of enterprises benefiting from the growth momentum of China in both domestic and global markets. The three major concerns of the Group in implementing the investment strategy are: (i) to persistently secure the supply of stable, long-term and low-cost capital while optimising and innovating the financing-end; (ii) to continuously strengthen the investment-end and enhance the return on assets while identifying opportunities from mismatches in different asset classes around the world as the Group adheres to its value investing principle; and (iii) to strike a good balance between risk and growth, achieving stable and persistent growth. Going forward, the Directors believed that the Group is expected to record a even more rapid growth in the future by leveraging on its capabilities accumulated over the years.

1.2 Reasons for the adoption of the Share Award Scheme and the Award

The Board announced on 25 March 2015 that, among other things, the Board adopted the Share Award Scheme. On 26 March 2015, the Board resolved to grant an aggregate of 4,620,000 Award Shares to 71 Selected Participants under the Share Award Scheme, of which, (i) 2,430,000 Award Shares will be awarded to 52 Selected Participants by way of issue and allotment of new Shares pursuant to the General Mandate; and (ii) 2,190,000 Connected Award Shares will be awarded to 19 Connected Selected Participants by way of issue and allotment of new Shares pursuant to the Specific Mandate. The Connected Selected Participants are Directors and the directors of significant subsidiaries of the Company.

All the Connected Selected Participants have already been with the Group for more than one year as at 31 December 2014 and each of them has met their respective performance evaluation results for the year ended 31 December 2014. The aggregate of 2,190,000 Connected Award Shares to be issued and allotted by the Company to the Connected Selected Participants represent approximately 0.03164% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.03161% of the total number of Shares in issue as enlarged by the issue and allotment of the Award Shares.

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With reference to the Letter from the Board, the Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Award Shares to the Selected Participants provides incentives to the Selected Participants and will allow the Group to attract and retain talents for the continual operation and development of the Group. The grant of the Award Shares to the Selected Participants (including the Connected Award Shares to the Connected Selected Participants) recognises their continual support to the Group and their effort will promote the Group's future development. Furthermore, there will not be any actual cash outflow by the Group under the grant of the Award Shares as incentives to the Selected Participants. In this regard, the Directors consider that the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have also discussed with the Company regarding the benefits of the Award as an incentive scheme. According to the Company, they have considered several methods of providing incentives to the Connected Selected Participants, including lump sum cash bonuses, remuneration increment, as well as the Award. After careful consideration of the various alternatives, the Directors consider the Award to be the most appropriate given that, as opposed to the other alternatives, the Award will enable the Company to prevent cash outflow of the Group while allowing added incentives to the Connected Selected Participants to make contribution to the Group. In addition, the economic benefits of the Award is dependent on the improvement in the performances of the Group and hence the Connected Selected Participants can only benefit when all the Shareholders are also in a position to benefit, the Directors are of the view that the Award will further align the interests of the Connected Selected Participants with the Company together with the Shareholders.

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

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2. Principal terms of the Award

The issue and allotment of the 2,190,000 Connected Award Shares to the Connected Selected Participants shall be subject to (a) the grant of the listing approval by the Stock Exchange in respect of the Award Shares; and (b) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the Connected Award Shares and the Specific Mandate.

Vesting period of the Connected Award Shares

Subject to the satisfaction of the vesting criteria and conditions of the Connected Award Shares, the Connected Award Shares shall be transferred to the Connected Selected Participants upon expiry of the following vesting periods: (i) 33% vesting on 25 March 2016; (ii) 33% vesting on 25 March 2017; and (iii) 34% vesting on 25 March 2018. As at each of the above vesting dates, the Company, at its absolute discretion, is entitled to adjust the actual amount of Connected Award Shares that can be vested to the respective Connected Selected Participants according to their performance.

Forfeit of the Connected Award Shares

According to the Share Award Scheme, any outstanding Connected Award Shares and related income derived from the Connected Award Shares not yet vested shall be immediately forfeited if a Connected Selected Participant ceases to be an eligible person under the Share Award Scheme by reasons of, among others, (i) termination of the Connected 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 Connected Selected Participant's employment or contractual engagement with the Group by reason of redundancy or unsatisfactory performance; (iii) resignation of the Connected Selected Participant's employment; (vi) winding-up of any member of the Group in which the Connected Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their absolute 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 Connected Award Shares being forfeited.

Market price of the Connected Award Shares

Based on the closing price of HK\$13.26 per Share as quoted on the Stock Exchange as at 26 March 2015, being the date of the Award, the aggregate value of the Connected Award Shares is HK\$29,039,400. No fund will be raised by the Company as a result of the issue and allotment of the Connected Award Shares.

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Identity of the Connected Selected Participants

Set out below are the identities of the Connected Selected Participants and the details of the Award:

Directors	Position	Length of services in the Group	Number of new Connected Award Shares
Ding Guoqi	Executive Director	19 years	310,000
Qin Xuetang	Executive Director	19 years	290,000
Wu Ping	Executive Director	19 years	270,000
Zhang Shengman	Independent Non-Executive Director	8 years	10,000
Zhang Huaqiao	Independent Non-Executive Director	3 years	10,000
David T. Zhang	Independent Non-Executive Director	2 years	10,000
Directors of the significant subsidiaries of the Company	Position	Length of services in the Group	Number of new Connected Award Shares
Chen Qiyu	director of Fosun Pharma	20 years	250,000
Xu Xiaoliang	director of Forte	16 years	190,000
Qian Jiannong	director of Club Med	5 years	150,000
Kang Lan	director of Fidelidade and Peak Reinsurance	4 years	150,000
John Changzheng Ma (Ma Changzheng)	director of Fosun Pharma	1 year	130,000
Duan Qiuping	director of Peak Reinsurance	4 years	60,000
Li Ming	director of Fidelidade and Peak Reinsurance	4 years	60,000

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Directors of the significant subsidiaries of the Company	Position	Length of services in the Group	Number of new Connected Award Shares
Chen Guoping	director of Hainan Mining	8 years	60,000
Chen Zhihua	director of Forte	3 years	60,000
Wang Jiping	director of Forte	14 years	60,000
Wang Pinliang	director of Fosun Pharma	14 years	40,000
Xu Yao	director of Fidelidade	4 years	40,000
Wu Xiaoyong	director of Fidelidade	1 year	40,000

Notes:

- (1) Fosun Pharma refers to Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Forte refers to Shanghai Forte Land Co., Ltd.
Club Med refers to Club Mediterranee SA
Fidelidade refers to Fidelidade-Companhia de Seguros, S.A.
Peak Reinsurance refers to Peak Reinsurance Company Limited
Hainan Mining refers to Hainan Mining Co., Ltd.
- (2) Fosun Pharma, Forte, Club Med, Fidelidade, Peak Reinsurance, Hainan Mining are all significant subsidiaries of the Company under Chapter 14A of the Listing Rules.

According to the Letter from the Board and based on our discussion with the Company, we understand that the Board has given due consideration to various factors, including the importance of work position, contribution level, individual performance and years of services of each Connected Selected Participant in determining the number of the Connected Award Shares to be granted. In this relation, we have further enquired into the Company regarding the background, working experience and the past contribution of the Connected Selected Participants towards the Group. Based on the relevant information provided by the Company, we noted that the Connected Selected Participants (i) have extensive involvement in relation to the Group's operations and/or business development (save for the independent non-executive Directors); (ii) have joined the Group for at least one year and with an average of approximately 8.8 years; (iii) have significant contribution to the Group's business development; and/or (iv) are currently in charge of executive functions in the Company or its subsidiaries (save for the independent non-executive Directors). As advised by the Directors, the Connected Selected Participants are key personnel providing support for business development and/or daily operations of the Group. As advised by the Company, the Connected Selected Participants had made significant contribution to the Group in the past and are expected

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to continue to contribute to the Group in the future. In this relation, we concur with the Directors that the expertise and experience of the Connected Selected Participants will be valuable and essential to the future development of the Group.

Having considered (i) the number of the Connected Award Shares to be granted to the Connected Selected Participants were determined based on the Connected Selected Participants' length of service, performance and contributions to the Group; (ii) the relevant Connected Selected Participants (including Mr. Ding Guoqi, Mr. Qin Xuetao, Mr. Wu Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao and Mr. David T. Zhang) have abstained from decision making when determining their own Connected Award Shares; (iii) the important roles of the Connected Selected Participants in the daily operation of the Group (save for the independent non-executive Directors); (iv) the vesting of the Connected Award Shares would provide incentives for the Connected Selected Participants to retain them for the continual operation and development of the Group; and (v) the Connected Award Shares will be forfeited if a Connected Selected Participant ceases to be an eligible person under the Share Award Scheme by reasons of, among others, termination of the Connected Selected Participant's employment or contractual engagement with the Group by reasons of misconduct, redundancy or unsatisfactory performance, we are of the view that the terms of the Share Award Scheme are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Award is in the interests of the Company and the Shareholders as a whole.

3. Financial effects of the Award

After granting of the Award Shares to the Connected Selected Participants, the value of such Connected Award Shares would be allocated and charged as expenses of the Group for the relevant financial year during the vesting period.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that the terms of the Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and the Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Shareholders, as well as the Independent Board Committee to recommend the Shareholders, to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Award.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Gary Mui
Deputy Chief Executive Officer
Head of IPO and Capital Markets

Mr. Gary Mui is a licensed person registered with the SFC and a responsible officer of Quam Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 15 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 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	5,510,793,609 ⁽¹⁾	Corporate	79.60%
Ding Guoqi	Ordinary	14,259,320	Individual	0.21%
Qin Xuetao	Ordinary	4,472,640	Individual	0.06%
Wu Ping	Ordinary	8,635,280	Individual	0.12%
Zhang Shengman	Ordinary	10,000	Individual	0.00%
David T. Zhang	Ordinary	10,000	Individual	0.00%
Zhang Huaqiao	Ordinary	10,000	Individual	0.00%

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

Name of Director/ chief executive	Name of associated corporation	Class of Shares	Number of Shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Fosun Holdings Limited	Ordinary	1	Corporate	100.00%
	Fosun International Holdings Ltd.	Ordinary	29,000	Individual	58.00%
	Fosun Phama	A Shares ⁽²⁾	114,075	Individual	0.01%
			920,641,314	Corporate	48.24%
Liang Xinjun	Fosun International Holdings Ltd.	Ordinary	11,000	Individual	22.00%
Wang Qunbin	Fosun International Holdings Ltd.	Ordinary	5,000	Individual	10.00%
	Fosun Phama	A Shares ⁽²⁾	114,075	Individual	0.01%
Fan Wei	Fosun International Holdings Ltd.	Ordinary	5,000	Individual	10.00%
Qin Xuetang	Fosun Phama	A Shares ⁽²⁾	114,075	Individual	0.01%

Notes:

- (1) Pursuant to Division 7 of Part XV of the SFO, 5,510,793,609 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings Limited and Fosun International Holdings Ltd. Mr. Guo Guangchang is the sole director of each of Fosun Holdings Limited and Fosun International Holdings Ltd.
- (2) A Shares mean the equity securities listed on the Shanghai Stock Exchange.

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 Hong Kong 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 2014, 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, chief executive or supervisors of the Company and their respective associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company.

4. SERVICE CONTRACTS

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

5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

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

Name of substantial shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings Limited	5,510,793,609 ⁽²⁾	79.60%
Fosun International Holdings Ltd. ⁽¹⁾	5,510,793,609 ⁽²⁾	79.60%

Notes:

- (1) Fosun International Holdings Ltd. is owned as to 58%, 22%, 10% and 10% by Messrs. Guo Guangchang, Liang Xinjun, Wang Qunbin and Fan Wei, respectively.

- (2) Fosun International Holdings Ltd. is the beneficial owner of all the issued shares in Fosun Holdings Limited and, therefore Fosun International Holdings Ltd. is deemed, or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.
- (3) Mr. Guo Guangchang is the sole director of Fosun Holdings Limited and Fosun International Holdings Ltd. Mr. Guo, by virtue of his ownership of shares in Fosun International Holdings Ltd. as to 58%, is deemed or taken to be interested in the Shares owned by Fosun Holdings Limited for the purpose of the SFO.

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

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since 31 December 2014, the date to which the latest published audited consolidated accounts of the Group were made up.

7. MATERIAL LITIGATION

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

8. QUALIFICATION AND CONSENT OF EXPERT

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

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

As at the Latest Practicable Date, Quam Capital Limited 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, Quam Capital Limited was not interested, directly or indirectly, in any assets which had since 31 December 2014 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

Quam Capital Limited 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

Copy of the Share Award Scheme 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 28 May 2015.