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

CONNECTED TRANSACTION
ISSUE OF NEW SHARES
UNDER THE SHARE AWARD SCHEME

Independent Financial Adviser to the Shareholders of the Company



A notice convening the AGM of the Company to be held on Wednesday, 1 June 2016 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 14 of this circular.

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

28 April 2016

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DEFINITIONS

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

“2015 Award”	the grant of 4,620,000 Award Shares to 71 selected participants in 2015 under the Share Award Scheme
“2016 Award”	the grant of 5,410,000 Award Shares to 69 selected participants in 2016 under the Share Award Scheme
“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 1 April 2016 in relation to, among others, the issue of new Shares under the Share Award Scheme
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	the award of the Award Shares to the Selected Participants
“Award Shares”	the Shares of the Company to be awarded to the Selected Participants under the Share Award Scheme, which, for the avoidance of doubt, includes the New Award Shares
“Board”	the board of Directors
“Company”	Fosun International Limited, a company incorporated under the laws of Hong Kong and whose Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 00656)
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the official currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the AGM to approve the Award
“Latest Practicable Date”	21 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lego” or “Lego Corporate Finance Limited” or “Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Award Shares”	the Award Shares to be settled by way of issue and allotment of 5,150,000 new Shares pursuant to the Specific Mandate to be obtained in the AGM
“PRC”	the People’s Republic of China
“Returned Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares under the rules of the Share Award Scheme
“Rights Issue”	the issue by the Company of the rights shares at the subscription price on the basis of 56 rights shares for every 500 Shares held on the record date, payable in full on acceptance
“Selected Participants”	the 69 eligible persons selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company

DEFINITIONS

“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time, which, for the avoidance of doubt, includes the 2015 Award and the 2016 Award
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the AGM to issue and allot the New Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-up Subscription”	the subscription of 465,000,000 subscription shares by the Fosun Holdings Limited pursuant to the terms of the placing and subscription agreement dated 12 May 2015
“Trust”	the trust constituted by the Trust Deed entered into between the Company and the Trustee, to service the Share Award Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	Computershare Hong Kong Trustees Limited
“%”	per cent

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)

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. Chen Qiyu
Mr. Xu Xiaoliang

Registered Office:

Room 808
ICBC Tower
3 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

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

28 April 2016

To the Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES
UNDER THE SHARE AWARD SCHEME

INTRODUCTION

Reference is made to the Announcement pursuant to which the Company announces that the Board has resolved to award an aggregate of 5,410,000 Award Shares to 69 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 5,150,000 New Award Shares pursuant to a Specific Mandate to be obtained in the AGM; and (ii) 260,000 Award Shares which were lapsed before vesting under the 2015 Award. The Trust is an employee's share scheme of the Company, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 46.54%. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders other than the Trustee, the Selected Participants under the 2016 Award and their respective associates at the AGM.

LETTER FROM THE BOARD

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

DETAILS OF AWARD OF THE AWARD SHARES

On 1 April 2016, the Board has resolved to award an aggregate of 5,410,000 Award Shares to 69 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 5,150,000 New Award Shares pursuant to a Specific Mandate to be obtained in the AGM; and (ii) 260,000 Award Shares which were lapsed before vesting under the 2015 Award.

Upon issue and allotment of the New Award Shares, the Trustee will hold the New Award Shares in trust for the Selected Participants and such New Award Shares shall be transferred to the Selected Participants upon satisfaction of the vesting conditions. The number of New Award Shares granted to each of the Selected Participants is in accordance with their respective contributions to the Group.

General Information

The information in relation to the award of an aggregate of 5,410,000 Award Shares, to be settled by way of (i) the issue and allotment of the 5,150,000 New Award Shares; and (ii) 260,000 Award Shares which were lapsed before vesting under the 2015 Award to the Selected Participants is set out below:

Securities to be issued:	5,150,000 New Award Shares
Securities to be re-awarded:	260,000 Award Shares which were lapsed before vesting under the 2015 Award
	Pursuant to the Share Award Scheme, the Trustee shall hold any Returned Shares on trust and such Shares may either be applied by the Company towards future Awards. As such, the 260,000 Award Shares which were lapsed before vesting were held by the Trustee on trust, and no separate Independent Shareholders' approval or listing approval is required to be sought in respect of the re-awarded Shares
Funds to be raised:	No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares
Identity of the allottee(s):	The Trustee, which will hold the Award Shares in trust in accordance with the Trust Deed for the 69 Selected Participants, who are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; (iii) outstanding young talents; and (iv) senior management of the Group's core affiliated enterprises

LETTER FROM THE BOARD

Identity of the allottee(s) (cont'd): All the Selected Participants have already been with the Group for more than one year as at 31 December 2015 and each of them has met their respective performance evaluation results for the year ended 31 December 2015

Market price of the Shares: The closing price of the Shares on 1 April 2016 as quoted on the Stock Exchange is HK\$11.04 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 1 April 2016 as quoted on the Stock Exchange is HK\$11.01 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$11.36 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%	31 March 2017
33%	31 March 2018
34%	31 March 2019

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

- a. any material adverse change in the business segments of the Group that the Selected Participant is responsible for overseeing;
- b. whether the behaviour of the Selected Participant has violated the cultural values of the Group;
- c. whether the Selected Participant has been demoted; and
- d. whether there is any failure of the Selected Participant to fulfill the critical tasks requested by the Group.

LETTER FROM THE BOARD

Vesting (cont'd): In the event that any of the Award Shares lapsed before vesting and/or are forfeited in accordance with the terms of the Share Award Scheme (namely, Returned Shares), the Trustee shall hold such Returned Shares and they may be applied towards future Awards. The Board (or a committee of the Board), may also instruct the Trustee to sell Returned Shares and remit all cash and net proceeds of such sale, and all the cash income derived from such Returned Shares to the Company

In the event that the number of Award Shares to be awarded to any Selected Participants is adjusted upward, the Company will comply with the Listing Rules, and make further announcements, obtain Shareholders' approval or listing approval for the Award Shares, as and when appropriate or required under the Listing Rules

Fund raising activities in the past 12 months: On 12 May 2015, Fosun Holdings Limited (the "**Vendor**"), the Company on the one hand, and Morgan Stanley & Co. International plc, UBS AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited, CMB International Capital Limited, Fosun Hani Securities Limited (formerly known as "Hani Securities (H.K.) Limited") and CLSA Limited (中信里昂證券有限公司) (the "**Placing Agents**") on the other hand, entered into the placing and subscription agreement, pursuant to which (i) each of the Placing Agents has agreed to act as a placing agent to procure purchasers for (or failing which, to purchase itself (other than with respect to Fosun Hani Securities Limited)) an aggregate of 465,000,000 placing shares owned by the Vendor at the placing price of HK\$20.00 per placing share; and (ii) the Company has conditionally agreed to issue and allot to the Vendor, and the Vendor has conditionally agreed to subscribe for, 465,000,000 subscription shares at the subscription price of HK\$20.00 per subscription share (the "**Placing**")

Pursuant to the terms of the placing and subscription agreement, proceeds from the Top-up Subscription were intended to be utilized by the Company for general corporate purpose including mergers and acquisitions in the insurance industry. The aggregate gross proceeds and net proceeds from the Top-up Subscription were approximately HK\$9,300 million and HK\$9,243 million, respectively. As at the Latest Practicable Date, the Company has fully utilized the net proceeds from the Top-up Subscription as follows: (1) approximately HK\$4,262 million for repayment of loans and early redemption of US\$300,000,000 7.5% senior notes due 2016; (2) approximately HK\$4,788 million for investment (including mergers and acquisitions in the insurance industry); and (3) approximately HK\$193 million for general operating capital

LETTER FROM THE BOARD

Fund raising activities
in the past 12 months
(cont'd):

On 10 September 2015, the Company proposed to raise not less than approximately HK\$11,637,586,104 (before expenses), and not more than approximately HK\$11,693,048,280 (before expenses), by way of the Rights Issue of not less than 867,182,273 rights shares and not more than 871,315,073 rights shares on the basis of 56 rights shares for every 500 Shares on the record date at the subscription price of HK\$13.42 per rights share payable in full on acceptance

The net proceeds of the Rights Issue were intended to be used for general corporate purposes including mergers and acquisitions in the banking and insurance industry and repayment of loans. The net proceeds from the Rights Issue, after deduction of commission and expenses, amounted to approximately HK\$11,598 million. As at the Latest Practicable Date, the Company has utilized the net proceeds from the Rights Issue as follows: (1) approximately HK\$6,725 million for investment (including mergers and acquisitions in the banking and insurance industry); (2) approximately HK\$2,441 million for repayment of loans; (3) approximately HK\$389 million for general operating capital purpose; and (4) remaining approximately HK\$2,043 million will be used for future general corporate purposes of the Company, including mergers and acquisitions in the banking and insurance industry

Save for the Placing and Rights Issue, which were completed on 20 May 2015 with 465,000,000 subscription shares and on 28 October 2015 with 867,182,273 rights shares being issued respectively, the Company has not engaged in any fund raising exercises in the 12 months immediately preceding the Latest Practicable Date

LETTER FROM THE BOARD

Award to the Connected Persons of the Company

Among those 69 Selected Participants, 15 of the Selected Participants are Directors and directors of significant subsidiaries of the Company and accordingly connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

Their details are as follows:

Directors	Number of Award Shares
Ding Guoqi	385,000
Qin Xuetao	350,000
Chen Qiyu	330,000
Xu Xiaoliang	330,000
Zhang Shengman	35,000
Zhang Huaqiao	35,000
David T. Zhang	35,000
Yang Chao	35,000
	<hr/>
	<i>Subtotal</i> <u>1,535,000</u>
Directors of the significant subsidiaries of the Company	Number of Award Shares
Kang Lan	220,000
Qian Jiannong	165,000
John Changzheng Ma	145,000
Gong Ping	110,000
Michael Lee	110,000
Wu Xiaoyong	50,000
Chi Xiaolei	50,000
	<hr/>
	<i>Subtotal</i> <u>850,000</u>
	Total <u><u>2,385,000</u></u>

LETTER FROM THE BOARD

Conditions

The grant of the Award Shares to the Selected Participants shall be subject to the following conditions:

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

The conditional approval from the Stock Exchange for the granting of the listing of, and permission to deal in, the 5,150,000 New Award Shares has been received by the Company on 15 April 2016.

Details of Award Shares

The aggregate of 5,150,000 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.05983% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.05980% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

Based on the closing price of HK\$11.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value of the 5,410,000 Award Shares is HK\$61,457,600.

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

Reasons for the Award of the Award Shares

The Group's principal businesses include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes the four major segments: insurance, investment, wealth management and internet finance while the industrial operations include five key segments: health, happiness, steel, property development and sales, and resources.

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

In addition to the grant of the first tranche of Award Shares to its core personnel under the Share Award Scheme on 26 March 2015, the Group has resolved to grant Award Shares to 69 core personnel which are Selected Participants under the 2016 Award, with a view to further

LETTER FROM THE BOARD

motivate employees to maximize the Company's long-term interests, highlight the principle of performance-based awards and stimulate the rapid growth of young talents so as to create more value for the Group. The Selected Participants under 2016 Award include Directors and the Group's business and functional department heads, backbone employees, outstanding young talents and senior management of the Group's core affiliated enterprises who have delivered excellent performance.

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 consider that the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

The Award constitutes a connected transaction on the part of the Company. The Trust is an employee's share scheme of the Company, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 46.54%. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the New Award Shares to the Trustee and the grant of the Award Shares to the Selected Participants shall be subject to the approval by the Independent Shareholders (other than the Trustee, the Selected Participants under the 2016 Award and their respective associates) at the AGM of, among others, the following resolutions:

- 1 the grant of a specific mandate for the issue and allotment of the New Award Shares to the Trustee;
- 2 the grant of Award Shares to each of the Selected Participants who are also connected persons of the Company; and
- 3 the grant of the Award Shares to the Selected Participants who are not connected persons of the Company.

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

Pursuant to Chapter 14A of the Listing Rules, the Trustee, the Selected Participants under the 2016 Award and their respective associates (holding approximately 0.33% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the AGM of the Company to approve the issue and allotment of the New Award Shares and the Award.

LETTER FROM THE BOARD

The identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior management, backbone employees, outstanding young talents, heads of core enterprises and Trustee and their respective associates who are required to abstain from voting on the relevant resolutions at the AGM to approve issue and allotment of the New Award Shares and the Award are as follows:-

	Number of Shares abstain from voting	Approximate percentage of Shares in issue
Directors		
Ding Guoqi	14,051,620	0.16%
Qin Xuetao	4,278,340	0.05%
Chen Qiyu	3,855,500	0.04%
Xu Xiaoliang	1,462,700	0.02%
Zhang Shengman	153,300	0.00%
Zhang Huaqiao	3,300	0.00%
David T. Zhang	3,300	0.00%
Yang Chao	0	0.00%
Directors of the significant subsidiaries of the Company		
Kang Lan	49,500	0.00%
Qian Jiannong	49,500	0.00%
John Changzheng Ma	42,900	0.00%
Gong Ping	19,800	0.00%
Michael Lee	19,800	0.00%
Wu Xiaoyong	0	0.00%
Chi Xiaolei	0	0.00%
Senior management	270,300	0.00%
Backbone employees	648,673	0.01%
Outstanding young talents	33,000	0.00%
Heads of core enterprises	38,595	0.00%
Trustee	3,181,200	0.04%
Total	28,161,328	0.33%

LETTER FROM THE BOARD

Save for the Trustee, the Selected Participants under the 2016 Award and their respective associates, to the best of the Directors' knowledge, information and belief, no other Shareholders has a material interest in the Award and accordingly none of them is required to abstain from voting on the relevant resolutions to approve the issue and allotment of the New Award Shares and the Award at the AGM.

Mr. Ding Guoqi, Mr. Qin Xuetao, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao have abstained from approving the board resolution on the Award of the Award Shares to them. Pursuant to Rule 13.39(6)(c), in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed.

As all of the independent non-executive Directors are Selected Participants, the Company is of the view that each of the independent non-executive Directors is regarded as having a material interest in the issue of the New Award Shares under the Share Award Scheme. Accordingly, (i) no independent board committee has been formed, and (ii) the Independent Financial Adviser has been appointed to only advise the Independent Shareholders.

AGM

A notice convening the AGM of the Company to be held on Wednesday, 1 June 2016 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 of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

RECOMMENDATION

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

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

LETTER FROM THE BOARD

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

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

The following is the full text of a letter of advice from Lego, the Independent Financial Adviser to the Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Shareholders in respect of the Award to the Selected Participants.



28 April 2016

To 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 UNDER THE SHARE AWARD SCHEME

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to 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 28 April 2016 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 1 April 2016, the Board resolved to award an aggregate of 5,410,000 Award Shares to 69 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of: (i) issue and allotment of 5,150,000 New Award Shares pursuant to the Specific Mandate to be obtained in the AGM; and (ii) 260,000 Award Shares which were lapsed before vesting under the 2015 Award. As at the Latest Practicable Date, the 5,150,000 New Award Shares to be issued and allotted to the Selected Participants represent approximately 0.05983% of the existing issued share capital of the Company and approximately 0.05980% of the issued share capital of the Company as enlarged by the issue and allotment of the New Award Shares. The Selected Participants are (i) Directors; (ii) the Group’s business and functional department heads and backbone employees; (iii) outstanding young talents; and (iv) senior management of the Group’s core affiliated enterprises. The Trust is an employee’s share scheme of the Company, in which the aggregate of the Company’s connected persons’ interest in the scheme is approximately 46.54% and accordingly the Trustee is an associate of a connected person of

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

the Company pursuant to Listing Rules 14A.12(1)(b). As such, the issue of the New Award Shares to the Trustee constitutes a connected transaction for the Company and is subject to the reporting, announcement and the shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Trustee, the Selected Participants under the 2016 Award and their respective associates are required to abstain from voting in respect of the relevant resolutions approving the issue and allotment of the New Award Shares and the Award at the AGM.

The identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior management, backbone employees, outstanding young talents, heads of core enterprises and Trustee and their respective associates who are required to abstain from voting on the relevant resolutions at the AGM to approve issue and allotment of the New Award Shares and the Award are as follows:-

	Number of Shares abstain from voting	Approximate percentage of Shares in issue
Directors		
Ding Guoqi	14,051,620	0.16%
Qin Xuetao	4,278,340	0.05%
Chen Qiyu	3,855,500	0.04%
Xu Xiaoliang	1,462,700	0.02%
Zhang Shengman	153,300	0.00%
Zhang Huaqiao	3,300	0.00%
David T. Zhang	3,300	0.00%
Yang Chao	0	0.00%
Directors of the significant subsidiaries of the Company		
Kang Lan	49,500	0.00%
Qian Jiannong	49,500	0.00%
John Changzheng Ma	42,900	0.00%
Gong Ping	19,800	0.00%
Michael Lee	19,800	0.00%
Wu Xiaoyong	0	0.00%
Chi Xiaolei	0	0.00%
Senior management	270,300	0.00%
Backbone employees	648,673	0.01%
Outstanding young talents	33,000	0.00%
Heads of core enterprises	38,595	0.00%
Trustee	3,181,200	0.04%
Total	28,161,328	0.33%

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

As the independent financial adviser, our role is to give an independent opinion to the Shareholders.

As at the Latest Practicable Date, Lego did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Lego. Lego has acted as the independent financial adviser to the independent board committee and the Shareholders of the Company (in 28 April 2016) in relation to the execution of a proxy to appoint Nanjing Iron & Steel Group Co., Ltd. in respect of all the shares held by Shanghai Fosun Industrial Technology Development Co., Ltd. in Nanjing Nangang Iron & Steel United Co., Ltd.. Apart from normal professional fees paid or payable to us in connection with the aforementioned appointment and this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the 2016 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 continued to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date.

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

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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 Group's principal businesses include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes the four major segments: insurance, investment, wealth management and internet finance while the industrial operations include five key segments: health, happiness, steel, property development and sales, and resources.

The following table summarises the financial information of the Group for the audited results for the two years ended 31 December 2015 and 31 December 2014 respectively prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") extracted from the annual results announcement of the Company dated 30 March 2016 ("2015 Annual Results Announcement").

	For the year ended 31 December		Year change (%)
	2015 <i>RMB million</i> <i>(audited)</i>	2014 <i>RMB million</i> <i>(audited)</i>	
Revenue	78,796.9	61,738.4	27.6
<i>Integrated Finance</i>			
<i>(wealth)</i>	15,615.8	9,016.2	73.2
– Insurance	14,667.4	7,867.6	86.4
– Investment	442.5	700.5	(36.8)
– Wealth Management	505.3	448.1	12.8
– Internet Finance	0.6	–	N/A
<i>Industrial Operation</i>	63,563.8	52,948.6	20.0
– Health	15,614.9	11,938.2	30.8
– Happiness	7,441.6	–	N/A
– Steel	21,986.0	27,272.0	(19.4)
– Property Development and Sales	16,893.7	12,149.2	39.1
– Resources	1,627.6	1,589.2	2.4
Profit before tax	16,182.5	12,705.3	27.4
Profit for the year	10,953.4	9,586.1	14.3

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

According to the 2015 Annual Results Announcement, the Group adheres to the development strategy of “investment + insurance”, especially the insurance and investment segments. As noted from the table above, the revenue and profit of the Group grew significantly as compared to the previous year. Revenue of the Group increased from approximately RMB61,738.4 million for the year ended 31 December 2014 to approximately RMB78,796.9 million for the year ended 31 December 2015, representing a growth of approximately 27.6%; whereas profit of the Group grew from approximately RMB9,586.1 million to RMB10,953.4 million, representing a growth of approximately 14.3%.

The significant increase of the revenue and profit of the Group in 2015 were mainly due to the significant growth for insurance and happiness segment of the Group. Revenue from the insurance segment increased from approximately RMB7,867.6 million for the year ended 31 December 2014 to approximately RMB14,667.4 million for the year ended 31 December 2015, representing an increase of approximately 86.4%. The increase in both revenue and profit attributable to owners of the parent of the insurance segment was mainly attributable to the business growth of Fidelidade – Companhia de Seguros, S.A., Multicare-Seguros de Saúde, S.A., Fidelidade Assistência - Companhia de Seguros, S.A. and Peak Reinsurance Company Limited. The increase in profit attributable to owners of the parent was also in line with the Group’s acquisitions of 100% equity interest in both Meadowbrook Insurance Group, Inc. and Ironshore Inc. which were completed in July and November 2015, respectively. Revenue from the happiness segment increased from nil for the year ended 31 December 2014 to approximately RMB7,441.6 million for the year ended 31 December 2015 was, in principle, contributed by the operating income from Club Méditerranée SA.

1.2 Reasons for the adoption of the Share Award Scheme

On 1 April 2016, the Board resolved to award an aggregate of 5,410,000 Award Shares to 69 Selected Participants under Share Award Scheme. The Selected Participants are (i) Directors; (ii) the Group’s business and functional department heads and backbone employees; (iii) outstanding young talents; and (iv) senior management of the Group’s core affiliated enterprises.

All the Selected Participants have already been with the Group for more than 1 year as at 31 December 2015 and each of them have met their respective performance evaluation results for the year ended 31 December 2015. The 5,150,000 New Award Shares to be issued and allotted to the Selected Participants represent approximately 0.05983% of the existing issued share capital of the Company and approximately 0.05980% of the issued share capital of the Company as enlarged by the issue and allotment of the New Award Shares.

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, retain and motivate talents for the continual operation and development of the Group. The grant of the Award Shares to the Selected Participants recognizes their continual support to the Group and their effort that will promote the Group’s future development.

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

In addition to the grant of the first tranche of Award Shares to its core personnel under the Share Award Scheme on 26 March 2015, the Group has resolved to grant Award Shares to 69 core personnel which are Selected Participants under the 2016 Award, with a view to further motivate employees to maximize the Company's long-term interests, highlight the principle of performance-based awards and stimulate the rapid growth of young talents so as to create more value for the Group. The Selected Participants under the 2016 Award include Directors and the Group's business and functional department heads, backbone employees, outstanding young talents and senior management of the Group's core affiliated enterprises who have delivered excellent performance.

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 (including 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.

We have also discussed with the management of the Company regarding the benefits of the 2016 Award as an incentive scheme. According to the management of the Company, they have considered several methods of providing incentives to the Selected Participants, including but not limited to performance bonus, carried interest as well as the 2016 Award. After careful consideration of the various alternatives, the Directors consider the 2016 Award to be the most appropriate given that, as opposed to the other alternatives, the 2016 Award will enable the Company to prevent cash outflow while allowing added incentives to the Selected Participants to make contribution to the Group. In addition, the economic benefits of the 2016 Award are dependent on the improvement in the performances of the Group and hence the Selected Participants can only benefit when all the Shareholders are also in a position to benefit. The Directors are of the view that the 2016 Award will further align the interests of the Selected Participants with the Company together with the Shareholders.

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

2. Principal terms of the Award

The grant of the 5,150,000 New Award Shares to the Selected Participants shall be subject to (a) the grant of the listing approval by the Stock Exchange in respect of the New Award Shares; and (b) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

Vesting period of the Award Shares under the 2016 Award

Subject to the satisfaction of the vesting criteria and conditions of the Award, the Award Shares under the 2016 Award shall be transferred to the Selected Participants upon expiry of the following vesting period: (i) 33% vesting on 31 March 2017; (ii) 33% vesting on 31 March 2018; and (iii) 34% vesting on 31 March 2019. Prior to each of the vesting dates, the Company is entitled to make downward adjustments to the actual amount of Award Shares that will be vested to the respective Selected Participants according to their performance at its sole discretion. The Company shall consider, among others, the following factors before adjusting the actual amount of Award Shares: (a) any material adverse change in the business segments of the Group that the Selected Participant is responsible for overseeing; (b) whether the behaviour of the Selected Participant has violated the cultural values of the Group; (c) whether the Selected Participant has been demoted; and (d) whether there is any failure of the Selected Participant to fulfill the critical tasks requested by the Group. According to our discussion with the management of the Company, we understand that the Board adopts the 2016 Award after considering (i) the market practice of H-share listed companies and other comparable peer companies' practices; and (ii) the talent retention period in determining the vesting period of the Award Shares.

Forfeiture of the Award Shares under the 2016 Award

According to the 2016 Award, any outstanding Award Shares and related income derived from the Award Shares not yet vested shall be immediately forfeited if the Selected Participant ceases to be an eligible person under the Share Award Scheme by reasons of, among others, (i) termination of the Selected Participant's employment or early termination of the contractual engagement with the Group by reasons of misconduct or otherwise pursuant to law or employment or engagement contract; (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy or unsatisfactory performance; (iii) resignation of the Selected Participant's employment; (vi) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their sole discretion. Shareholders may refer to the sub-section headed "12. Cessation as an Eligible Person" as contained in the announcement of the Company dated 25 March 2015 for further details of the clauses leading to the Award Shares under the 2016 Award being forfeited.

Market price of the Award Shares under the 2016 Award

Based on the closing price of HK\$11.04 per Share as quoted on the Stock Exchange as at 1 April 2016, being the date of the 2016 Award, the aggregate value of the Award Shares under the 2016 Award is HK\$59,726,400. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

Award to the Connected Persons of the Company

Set out below are the identities of the connected persons of the Company and the details of the Award:

Directors	Position	Length of services in the Group	Number of Award Shares
Ding Guoqi	Executive Director	20 years	385,000
Qin Xuetao	Executive Director	20 years	350,000
Chen Qiyu	Executive Director	21 years	330,000
Xu Xiaoliang	Executive Director	17 years	330,000
Zhang Shengman	Independent non-executive Director	9 years	35,000
Zhang Huaqiao	Independent non-executive Director	4 years	35,000
David T. Zhang	Independent non-executive Director	3 years	35,000
Yang Chao	Independent non-executive Director	1 year	35,000
		Subtotal:	1,535,000
Directors of the significant subsidiaries of the Company	Position	Length of services in the Group	Number of Award Shares
Kang Lan	Director of Fidelidade, Fosun Pharma and Ironshore (<i>Note</i>)	5 years	220,000
Qian Jiannong	Director of Club Med (<i>Note</i>)	6 years	165,000
John Changzheng Ma	Director of Fosun Pharma (<i>Note</i>)	2 years	145,000
Gong Ping	Director of Forte (<i>Note</i>)	4 years	110,000
Michael Lee	Director of Ironshore (<i>Note</i>)	5 years	110,000
Wu Xiaoyong	Director of Ironshore and Fidelidade (<i>Note</i>)	2 years	50,000
Chi Xiaolei	Director of Ironshore (<i>Note</i>)	1 year	50,000
		Subtotal:	850,000
		Total:	2,385,000

Notes :

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

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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 and internal grading, market benchmarking results, individual performance, historical contribution level to the Company and years of services of each Selected Participant in determining the number of the Award Shares under the 2016 Award to be granted. In this relation, we have further enquired into the Company regarding the background, working experience and the past contribution of the Selected Participants towards the Group. Based on the relevant information provided by the Company, we noted that the 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 1 year and with an average of approximately 9.6 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 Selected Participants are key personnel providing support for business development and/or daily operations of the Group. As advised by the management of the Company, the Selected Participants have made significant contribution to the Group in the past and are expected 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 Selected Participants will be valuable and essential to the future development of the Group.

Having considered that (i) the number of the Award Shares under the 2016 Award to be granted to the Selected Participants was determined based on the Selected Participants' length of service, past performance and contributions to the Group; (ii) the relevant Selected Participants (including Mr. Ding Guoqi, Mr. Qin Xuetao, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao) have abstained from decision making when determining their own Award Shares; (iii) the important roles (save for the independent non-executive Directors) of the Selected Participants in the daily operation of the Group; (iv) the vesting period of the Award Shares which would provide incentives for the Selected Participants to retain them for the continual operation and development of the Group (save for the independent non-executive Directors); and (v) prior to the vesting dates, the Award Shares will be forfeited or subject to downward adjustments to the actual number of Award Shares if the Selected Participants fails to perform or cease to be an eligible person under the 2016 Award by reasons of, among others, termination of the 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 2016 Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned, and the 2016 Award is in the interest of the Company and the Shareholders as a whole.

3. Financial effects of the 2016 Award

After granting of the Award Shares under the 2016 Award to the Selected Participants, the value of such Award would be allocated and charged as expenses of the Group for the relevant financial year during the vesting period. No fund will be raised as a result of the issue and allotment of the New Award Shares.

LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that the terms of the issue and allotment of the New Award Shares and the Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and the issue and allotment of the New Award Shares and the Award is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the issue and allotment of the New Award Shares and the grant of the Award Shares to the Selected Participants.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Gary Mui
Chief Executive Officer

Mr. Gary Mui is a licensed person registered with the SFC and a responsible officer of Lego to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 18 years of experience in the finance and investment banking industry.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules were as follows:

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

Name of Director/ chief executive	Class of Shares	Number of Shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	6,154,692,473 ⁽¹⁾	Corporate	71.51%
Ding Guoqi	Ordinary	24,644,320	Individual	0.29%
Qin Xuetang	Ordinary	14,822,640	Individual	0.17%
Chen Qiyu	Ordinary	14,353,000	Individual	0.17%
Xu Xiaoliang	Ordinary	11,920,000	Individual	0.14%
Zhang Shengman	Ordinary	195,000	Individual	0.00%
Zhang Huaqiao	Ordinary	45,000	Individual	0.00%
David T. Zhang	Ordinary	45,000	Individual	0.00%
Yang Chao	Ordinary	35,000	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	32,225	Individual	64.45%
	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	A Shares ⁽²⁾	114,075	Individual	0.01%
Liang Xinjun	Fosun International Holdings Ltd.	Ordinary	923,453,264	Corporate	48.32%
			12,220	Individual	24.44%
Wang Qunbin	Fosun International Holdings Ltd.	Ordinary	5,555	Individual	11.11%
	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	A Shares ⁽²⁾	114,075	Individual	0.01%
Qin Xuetao	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	A Shares ⁽²⁾	114,075	Individual	0.01%
Chen Qiyu	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	A Shares ⁽²⁾	114,075	Individual	0.01%

Notes:

- (1) Pursuant to Division 7 of Part XV of the SFO, 6,154,692,473 Shares held by Mr. Guo Guangchang are deemed corporate interests held through 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 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 2015, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors or chief executive of the Company and their respective associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

4. SERVICE CONTRACTS

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

5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS**Long positions in the Shares, underlying shares and debentures of the Company**

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

Name of substantial Shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings Limited	6,154,692,473 ⁽²⁾	71.51%
Fosun International Holdings Ltd. ⁽¹⁾	6,154,692,473 ⁽²⁾⁽³⁾	71.51%

Notes:

- (1) Fosun International Holdings Ltd. is owned as to 64.45%, 24.44% and 11.11% by Messrs. Guo Guangchang, Liang Xinjun and Wang Qunbin, 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 64.45%, 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 2015, 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
Lego Corporate Finance Limited	A licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Lego Corporate Finance 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, Lego Corporate Finance Limited was not interested, directly or indirectly, in any assets which had since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

Lego Corporate Finance 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

The following documents will be available for inspection during normal business hours at the registered address of the Company in Hong Kong at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong from the date of this circular up to and including 1 June 2016:

- (a) a copy of the Share Award Scheme;
- (b) the letter from Lego Corporate Finance Limited to the Shareholders in respect of the issue of new Shares under the Share Award Scheme; and
- (c) the letter of consent referred to the paragraph headed “Qualification and Consent of Expert” in this appendix.