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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Shareholders of the Company



A notice convening the EGM of the Company to be held on Tuesday, 6 June 2017 at 10:30 a.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 29 to 31 of this circular and a form of proxy for the EGM is despatched together with this circular. Whether or not you are able to attend the EGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

A letter from the Board is set out on pages 4 to 13 of this circular.

A letter from Dakin Capital Limited, the Independent Financial Adviser to the Shareholders, containing its advice to the Shareholders is set out on pages 14 to 23 of this circular.

19 May 2017

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DEFINITIONS

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

“2015 Award”	the grant of 4,620,000 Award Shares to 71 selected participants in 2015 under the Share Award Scheme
“2016 Award”	the grant of 5,410,000 Award Shares to 69 selected participants in 2016 under the Share Award Scheme
“2017 Award”	the grant of 5,275,000 Award Shares to 65 Selected Participants in 2017 under the Share Award Scheme
“Announcement”	announcement made on 4 May 2017 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
“Dakin Capital or “Independent Financial Adviser”	Dakin Capital Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed to advise the Independent Shareholders in respect the issue of the New Award Shares to the Trustee
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held at 10:30 a.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) on Tuesday, 6 June 2017 at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, to consider and, if appropriate, to approve the resolutions contained in the notice of EGM which is set out on pages 29 to 31 of this circular, or any adjournment thereof
“Existing Award Shares”	the 669,800 Award Shares which had lapsed before vesting under the 2015 Award and the 2016 Award
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the official currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the EGM to approve the Award
“Latest Practicable Date”	12 May 2017, 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
“New Award Shares”	the Award Shares to be settled by way of issue and allotment of 4,605,200 new Shares pursuant to the Specific Mandate to be obtained in the EGM
“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
“Selected Participants”	the 65 eligible persons selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time, which, for the avoidance of doubt, includes the 2015 Award, the 2016 Award and the 2017 Award
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to issue and allot the New Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed entered into between the Company and the Trustee, to service the Share Award Scheme
“Trust Deed”	a trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	Computershare Hong Kong Trustees Limited
“%”	per cent

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. Wang Qunbin (*Chief Executive Officer*)
Mr. Chen Qiyu (*Co-President*)
Mr. Xu Xiaoliang (*Co-President*)
Mr. Qin Xuetao
Mr. Wang Can
Ms. Kang Lan
Mr. Gong Ping

Independent Non-executive Directors:

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

Registered Office:

Room 808
ICBC Tower
3 Garden Road
Central
Hong Kong

19 May 2017

To the Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION
ISSUE OF NEW SHARES
UNDER THE SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement pursuant to which the Company announced that the Board has resolved to award an aggregate of 5,275,000 Award Shares to 65 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 4,605,200 New Award Shares pursuant to a Specific Mandate to be obtained in the EGM; and (ii) 669,800 Award Shares which had lapsed before vesting under the

LETTER FROM THE BOARD

2015 Award and 2016 Award. The Trust is an employees' share scheme of the Company, as at the Latest Practicable Date, and the aggregate of the Company's connected persons' interest in such scheme is approximately 46.39 %. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of connected persons of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders excluding the Trustee, the Selected Participants under the 2017 Award and their respective associates at the EGM.

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

DETAILS OF AWARD OF THE AWARD SHARES

On 4 May 2017, the Board resolved to award an aggregate of 5,275,000 Award Shares to 65 Selected Participants under the Share Award Scheme. The award of Award Shares under the 2017 Award will be settled by way of (i) issue and allotment of 4,605,200 New Award Shares pursuant to a Specific Mandate to be obtained in the EGM; and (ii) 669,800 Award Shares which had lapsed before vesting under the 2015 Award and 2016 Award.

Upon issue and allotment of the New Award Shares, the Trustee will hold the New Award Shares on trust for the Selected Participants and such New Award Shares, together with the Existing Award Shares, shall be transferred to the Selected Participants upon satisfaction of their respective vesting conditions. The number of Award Shares granted to each of the Selected Participants under the 2017 Award was determined in accordance with their respective contributions to the Group.

General Information

The information in relation to the award of the 5,275,000 Award Shares, to be settled by way of (i) the issue and allotment of the 4,605,200 New Award Shares; and (ii) 669,800 Award Shares which had lapsed before vesting under the 2015 Award and 2016 Award to the Selected Participants is set out below:

Securities to be newly issued:	4,605,200 New Award Shares
Securities to be re-awarded:	669,800 Award Shares which had lapsed before vesting under the 2015 Award and 2016 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 669,800 Award Shares which were lapsed before vesting were held by the Trustee on trust, and no separate Independent Shareholders' approval or listing approval is required to be sought in respect of the re-awarded Shares

LETTER FROM THE BOARD

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

Identity of the allottee(s): The Trustee, which will hold the Award Shares awarded under the 2017 Award in trust in accordance with the Trust Deed for the 65 Selected Participants under the 2017 Award, 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

In general, such Selected Participants should have been with the Group for more than one year as at 31 December 2016 and each of them should have met their respective performance evaluation results for the year ended 31 December 2016

Market price of the Shares: The closing price of the Shares on 4 May 2017 as quoted on the Stock Exchange is HK\$11.68 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 4 May 2017 as quoted on the Stock Exchange is HK\$11.75 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$11.78 per Share

Vesting: Subject to the satisfaction of the vesting criteria and conditions of the 2017 Award, the Award Shares awarded under the 2017 Award shall be transferred to the Selected Participants under the 2017 Award upon expiry of the following vesting periods:

**Percentage of Award
Shares to be vested
under the 2017 Award**

Vesting Date

33%	3 May 2018
33%	3 May 2019
34%	3 May 2020

LETTER FROM THE BOARD

Vesting (Cont'd):

Prior to each of the vesting dates, the Company is entitled to make downward adjustments to the actual amount of Award Shares that will be vested to the respective Selected Participants under the 2017 Award according to their performance at its sole discretion. The Company shall consider, among others, the following factors before adjusting the actual amount of Award Shares:

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

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

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

Fund raising activities
in the past 12 months:

The Company has not engaged in any fund raising 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 65 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
Chen Qiyu	375,000
Xu Xiaoliang	375,000
Qin Xuetang	325,000
Wang Can	190,000
Kang Lan	190,000
Gong Ping	190,000
Zhang Shengman	35,000
Zhang Huaqiao	35,000
David T. Zhang	35,000
Yang Chao	35,000
Lee Kai-Fu	35,000
	<hr/>
<i>Subtotal</i>	<i>1,820,000</i>
	<hr/>
Directors of the significant subsidiaries of the Company	Number of Award Shares
Qian Jiannong	190,000
Wang Jiping	85,000
Li Jun	45,000
Xu Lingjiang	45,000
	<hr/>
<i>Subtotal</i>	<i>365,000</i>
	<hr/>
Total	2,185,000
	<hr/> <hr/>

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 EGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

Application has been made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate 4,605,200 New Award Shares. For the avoidance of doubt, the Stock Exchange has granted approval for the listing of, and permission to deal in, the Existing Award Shares.

Details of Award Shares

The aggregate of 4,605,200 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.05368% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.05365% 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\$11.78 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value of the 4,605,200 New Award Shares is HK\$54,249,256 and (ii) the aggregate market value of the 5,275,000 Award Shares under the 2017 Award is HK\$62,139,500.

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 principal businesses of the Company include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes three major segments: insurance, investment and wealth management and innovative finance; the industrial operations include four key segments: health, happiness, 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.

LETTER FROM THE BOARD

The Company has resolved to grant Award Shares to 65 core personnel which are Selected Participants under the 2017 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 2017 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.

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 of the Company. The Trust is an employees' share scheme of the Company, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 46.39% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee is an associate of connected persons of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The issue and allotment of the New Award Shares to the Trustee and the grant of the Award Shares to the Selected Participants shall be subject to the approval by the Independent Shareholders (other than the Trustee, the Selected Participants under the 2017 Award and their respective associates) at the EGM of, among others, the following resolutions:

- (1) the grant of the 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 EGM will be taken by way of poll and an announcement will be made after the EGM on the results of the EGM.

Pursuant to Chapter 14A of the Listing Rules, the Trustee, the Selected Participants under the 2017 Award and their respective associates (holding approximately 0.24% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the EGM of the Company to approve the issue and allotment of the New Award Shares and the Award.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 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 EGM 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		
Chen Qiyu	4,521,900	0.05%
Xu Xiaoliang	2,109,300	0.02%
Qin Xuetang	4,814,540	0.06%
Wang Can	384,050	0.00%
Kang Lan	361,600	0.00%
Gong Ping	365,900	0.00%
Zhang Shengman	403,150	0.00%
Zhang Huaqiao	53,150	0.00%
David T. Zhang	53,150	0.00%
Yang Chao	46,550	0.00%
Lee Kai-Fu	0	0.00%
Directors of the significant subsidiaries of the Company		
Qian Jiannong	253,450	0.00%
Wang Jiping	69,300	0.00%
Li Jun	11,550	0.00%
Xu Lingjiang	0	0.00%
Senior management	1,079,000	0.01%
Backbone employees	596,370	0.01%
Heads of core enterprises	67,650	0.00%
Outstanding young talents	0	0.00%
Trustee	5,385,950	0.06%
Total	20,576,560	0.24%

To the best of the knowledge of the Directors, having made all reasonable enquiries, the Directors, directors of significant subsidiaries of the Company, senior management, backbone employees, heads of core enterprises and the Trustee required to abstain from voting and listed immediately above, control or are entitled to exercise control over all of the Shares held by them. Save for the Trustee, the Selected Participants under the 2017 Award and their respective associates, to the best of the Directors' knowledge, information and belief, no other Shareholders has a material interest in the Award and accordingly none of them is required to abstain from voting on the relevant resolutions to approve the issue and allotment of the New Award Shares and the Award at the EGM.

LETTER FROM THE BOARD

Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao, Mr. Wang Can, Ms. Kang Lan, Mr. Gong Ping, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu have abstained from approving the relevant board resolution on the award of the Award Shares to them under the 2017 Award. Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed.

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

EGM

A notice convening the EGM of the Company to be held on Tuesday, 6 June 2017 at 10:30 a.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 29 to 31 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the EGM is also despatched together with this circular. Whether or not you are able to attend the EGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

RECOMMENDATION

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

LETTER FROM THE BOARD

Your attention is drawn to the letter from Dakin Capital, 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 Dakin Capital is set out on pages 14 to 23 of this circular.

GENERAL

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,
Fosun International Limited
Guo Guangchang
Chairman

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

The following is the full text of the letter of advice from Dakin Capital Limited, the Independent Financial Adviser to the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Shareholders in relation to the issue of the New Award Shares to the Trustee.



Dakin Capital Limited
Room 2701,
Admiralty Centre Tower 1
18 Harcourt Road
Admiralty
Hong Kong

19 May 2017

To: the Independent Shareholders

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

Dear Sirs or Madams,

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

INTRODUCTION

We refer to our appointment to advise the Independent Shareholders in relation to the issue of the New Award Shares to the Trustee (the “**Independent Financial Adviser**”), 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 19 May 2017 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms used in this letter shall have the same meanings as defined in the Circular.

As set out in the Letter from the Board, on 19 May 2017, the Board resolved to award an aggregate of 5,275,000 Award Shares to 65 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 4,605,200 New Award Shares pursuant to the Specific Mandate to be obtained in the EGM; and (ii) 669,800 Award Shares which had lapsed before vesting under the 2015 Award and 2016 Award. As at the Latest Practicable Date, the aggregate of 4,605,200 New Award Shares to be issued and allotted to the Selected Participants represent approximately 0.05368% of the existing issued share capital of the Company and approximately 0.05365% of the issued share capital of the Company as enlarged by the issue and allotment of the New Award Shares.

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

Upon issue and allotment of the New Award Shares, the Trustee will hold the New Award Shares on trust for the Selected Participants and such New Award Shares shall be transferred to the Selected Participants upon satisfaction of the vesting conditions. Given that the Trust is an employees' share scheme of the Company, in which the aggregate of the Company's connected persons' interest in the scheme is approximately 46.39%, the Trustee is an associate of connected persons of 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 2017 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 at the EGM.

As at the Latest Practicable Date, the identities and the respective shareholding for Directors, directors of the significant subsidiaries of the Company, senior management, backbone employees, heads of core enterprises and Trustee and their respective associates who are required to abstain from voting on the relevant resolutions at the EGM 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		
Chen Qiyu	4,521,900	0.05%
Xu Xiaoliang	2,109,300	0.02%
Qin Xuetang	4,814,540	0.06%
Wang Can	384,050	0.00%
Kang Lan	361,600	0.00%
Gong Ping	365,900	0.00%
Zhang Shengman	403,150	0.00%
Zhang Huaqiao	53,150	0.00%
David T. Zhang	53,150	0.00%
Yang Chao	46,550	0.00%
Lee Kai-Fu	0	0.00%
Directors of the significant subsidiaries of the Company		
Qian Jiannong	253,450	0.00%
Wang Jiping	69,300	0.00%
Li Jun	11,550	0.00%
Xu Lingjiang	0	0.00%

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

	Number of Shares abstain from voting	Approximate percentage of Shares in issue
Senior management	1,079,000	0.01%
Backbone employees	596,370	0.01%
Heads of core enterprises	67,650	0.00%
Outstanding young talents	0	0.00%
Trustee	5,385,950	0.06%
<i>Total</i>	20,576,560	0.24%

As the Independent Financial Adviser, our role is to give an independent opinion to the the Independent Shareholders in such regard.

As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial Shareholders of the Company or the Trust or any of their respective subsidiaries or associates. Apart from the normal advisory fee payable to us in connection with our appointment, as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Directors, chief executive and substantial Shareholders of the Company or the Trust or any of their respective subsidiaries or associates. Accordingly, we are qualified to give independent advice to the Independent Shareholders 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 provided 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) the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us 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, information and opinions 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.

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

We consider that we have reviewed the sufficient information and documents which are made 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 independent investigation into the business, affairs, operations, financial position or future prospects of the Company, its subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating of our recommendation, we have considered the following principal factors and reasons:

1. Background of and reasons for the Award

1.1 Background of the Group

The Group is one of the largest privately-owned enterprise in China and its principal businesses include two major segments, being integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes three major segments: insurance, investment and wealth management and innovative finance while the industrial operations include four key segments: health, happiness, property development and sales, and resources.

1.2 Financial information on the Group

The following table summarises the financial information of the Group for the two financial years ended 31 December 2016 based on the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”).

	For the year ended		
	31 December		
	2016	2015	Year changes
	<i>RMB million</i>	<i>RMB million</i>	<i>(%)</i>
	<i>(audited)</i>	<i>(audited)</i>	
Revenue	73,966.6	78,796.9	(6.1)
<i>Integrated Finance (Wealth)</i>	30,469.3	15,615.8	95.1
– Insurance	27,640.7	14,667.4	88.4
– Investment	1,200.4	442.5	171.3
– Wealth Management and Innovative Finance	1,628.2	505.9	221.8

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

	For the year ended		
	31 December		
	2016	2015	Year changes
	RMB million	RMB million	(%)
	(audited)	(audited)	
Industrial Operations	43,967.7	63,563.8	(30.8)
– Health	18,260.2	15,614.9	16.9
– Happiness	10,355.5	7,441.6	39.2
– Property Development and Sales	13,898.2	16,893.7	(17.7)
– Resources	1,453.8	1,627.6	(10.7)
– Steel	–	21,986.0	N/A
Profit before tax	16,280.8	16,182.5	0.6
Profit for the year	12,686.2	10,953.4	15.8

Source: 2016 Annual Report

As noted from the table above, the increase of the profit of the Group in 2016 were mainly due to the significant growth for wealth and happiness segment of the Group. Revenue from the wealth segment increased from approximately RMB15,615.8 million for the year ended 31 December 2015 to approximately RMB30,469.3 million for the year ended 31 December 2016, representing a growth of approximately 95.1%. The significant increase in the wealth segment was mainly attributable to the insurance segment which increased from approximately RMB14,667.4 million for the year ended 31 December 2015 to approximately RMB27,640.7 million for the year ended 31 December 2016, representing a growth of approximately 88.4%. According to the 2016 Annual Report, the increase in both revenue and profit attributable to owners of the parent of the insurance segment was mainly attributable to the expansion of the insurance segment. 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 and their statements of profit and loss of the whole financial year were consolidated in the year of 2016.

Revenue from the happiness segment increased from approximately RMB7,441.6 million for the year ended 31 December 2015 to approximately RMB10,355.5 million for the year ended 31 December 2016, representing a growth of approximately 39.2%. The increase in the profit attributable to owners of the parent of the happiness segment was mainly attributable to the gain on disposal of partial equity interest of Bona Film Group Limited.

1.3 Reasons for the adoption of the Share Award Scheme

On 4 May 2017, the Group resolved to award an aggregate of 5,275,000 Award Shares to 65 Selected Participants, they include (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, by way of (i) issue and allotment of 4,605,200 new Shares pursuant to a specific mandate to be obtained in the AGM; and (ii) 669,800 Award Shares which had lapsed before vesting under the 2015 Award and 2016 Award.

Pursuant to the Letter from the Board and the 2016 Annual Report, the Share Award Scheme forms part of the incentive schemes of the Group and was adopted by the Company on 25 March 2015. The purposes of the Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Upon our enquiry, the Directors advised that most of the Selected Participants have been with the Group for more than 1 year and each of them have passed their respective performance appraisal or evaluation for the year ended 31 December 2016.

Given the extensive working experience and knowledge of the Selected Participants, the Directors believe the Selected Participates are essential for the development of the Group and will further motivate employees to maximise 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.

Despite share award scheme is commonly and widely adopted by listed companies to incentive and/or reward the employees. We have further discussed with the management of the Company regarding the possibility of considering other methods of providing incentive to the Selected Participants, including but not limited to performance bonus, the Directors consider the 2017 Award to be the most appropriate given that, as opposed to the other alternatives, the 2017 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 2017 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 2017 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.

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

2. Principal terms of the Award

The grant of the 4,605,200 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 EGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

(a) Vesting period of the Award Shares under the 2017 Award

Subject to the satisfaction of the vesting criteria and conditions of the Award, the Award Shares under the 2017 Award shall be transferred to the Selected Participants upon expiry of the following vesting period:

Vesting date	Percentage of Award Shares to be vested
3 May 2018	33%
3 May 2019	33%
3 May 2020	34%

As at each of the above vesting dates, the Company, at its discretion, is entitled to adjust the actual amount of Award Shares that can be vested to the respective Selected Participants according to their performance. We are of the view that the vesting period of three years would further strengthen the effect of the 2017 Award as an incentive scheme to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

(b) Forfeiture of the Award Shares under the 2017 Award

According to the 2017 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; and (iv) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their sole discretion.

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

(c) Transferability

The 2017 Award Shares granted but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be transferable or assignable.

(d) Market price of the Award Shares under the 2017 Award

Based on the closing price of HK\$11.68 per Share as quoted on the Stock Exchange as at 4 May 2017, being the date of the 2017 Award, the aggregate value of the Award Shares under the 2017 Award is HK\$61,612,000. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

(e) 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
Chen Qiyu	Co-President, Executive Director	23 years	375,000
Xu Xiaoliang	Co-President, Executive Director	19 years	375,000
Qin Xuetang	Executive Director	21 years	325,000
Wang Can	Executive Director, Chief Financial Officer	4 years	190,000
Kang Lan	Executive Director	6 years	190,000
Gong Ping	Executive Director	5 years	190,000
Zhang Shengman	Independent non-executive Director	10 years	35,000
Zhang Huaqiao	Independent non-executive Director	5 years	35,000
David T. Zhang	Independent non-executive Director	4 years	35,000
Yang Chao	Independent non-executive Director	2 years	35,000
Lee Kai-Fu	Independent non-executive Director	0 year	35,000
Subtotal:			<u>1,820,000</u>

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

Directors of the significant subsidiaries of the Company	Position	Length of services in the Group	Number of Award Shares
Qian Jiannong	Director of Club Med (<i>Notes 1 & 2</i>)	7 years	190,000
Wang Jiping	Director of Forte (<i>Notes 1 & 2</i>)	17 years	85,000
Li Jun	Director of Fidelidade (<i>Note 1 & 2</i>)	2 years	45,000
Xu Lingjiang	Director of Fidelidade (<i>Notes 1 & 2</i>)	3 years	45,000
Subtotal:			365,000
Total:			2,185,000

Notes:

- (1) Fidelidade refers to Fidelidade-Companhia de Seguros, S.A.
Club Med refers to Club Med SAS
Forte refers to Shanghai Forte Land Co., Ltd.
- (2) Fidelidade, Club Med, Forte are all significant subsidiaries of the Company under Chapter 14A of the Listing Rules.

According to the information provided by the Company and our discussion with the Company, we noted that the Selected Participants have (i) extensive involvement in relation to the Group's operations and/or business development (save for the independent non-executive Directors); (ii) have significant contributions to the Group's business development; (iii) have extensive experience and knowledge that would create value and long-term growth to the Group; and/or (iv) are currently in charge of executive functions in the Company or its subsidiaries (save for the independent non-executive Directors). Having consider the reasons as set out under the paragraph headed "1. Background of and reasons for the Awards" in this letter, we are of the view that the expertise and experience of the Selected Participants will be valuable and essential to the future development of the Group.

3. Financial effects of the 2017 Award

After granting of the Award Shares under the 2017 Award to the Selected Participants, the value of such Award Shares 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.

4. Immaterial effect on the shareholding interest of the existing public Shareholders

Upon issue and allotment of the aggregate of 4,605,200 New Award Shares to the Selected Participants (assuming that there is no other change in the issue share capital of the Company) in full, the shareholding interests of existing public shareholders will be diluted from approximately 28.24% to approximately 28.23%.

LETTER OF ADVICE FROM DAKIN CAPITAL LIMITED

RECOMMENDATION

Having considered the principal factors and reasons described above, in particular,

- the purposes of the Share Award Scheme are to align the interests of the eligible persons with those of the Group through ownership of Shares, and to retain eligible persons to contribute the long-term growth and profits of the Group;
- the vesting period of the three years would strengthen the effect to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group;
- prior to the vesting dates, the 2017 Award Shares to any Selected Participants will be forfeited if the Selected Participant ceases to be an eligible person under the Share Award Scheme by reason of termination with the Group by reasons of misconduct, redundancy or unsatisfactory performance which is a performance-driven long term incentive to motivate and retain key personnel;
- the 2017 Award Shares granted but not vested are not transferable or assignable;
- the Selected Participants have extensive involvement in relation to the Group's operations and/or have extensive experience and knowledge that would create value and long-term growth to the Group and the Selected Participants will be valuable and essential to the future development of the Group;
- assuming there are no other changes to the shareholding structure of the Company as at the Latest Practicable Date, the shareholding of the existing public Shareholders would be diluted from approximately 28.24% to approximately 28.23% upon the Share Award Scheme,

we are of the view that the terms of the issue and allotment of the New Award Shares and the Award are on normal commercial terms and in the ordinary course of business of the Group, 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 interest of the Company and the Shareholders as a whole. Accordingly, we advise the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Award.

Yours faithfully,
For and on behalf of
Dakin Capital Limited
Tam Kin Fong
Managing Director

Note: Mr. Tam Kin Fong of Dakin Capital Limited is a responsible officer of Dakin Capital Limited, which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has been active in the field of corporate finance advisory for over 15 years, and has been involved in and completed various corporate finance advisory transactions.

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	6,155,972,473 ⁽¹⁾	Corporate	71.76%
Chen Qiyu	Ordinary	16,328,000	Individual	0.19%
Xu Xiaoliang	Ordinary	13,895,000	Individual	0.16%
Qin Xuetang	Ordinary	15,147,640	Individual	0.18%
Wang Can	Ordinary	9,415,000	Individual	0.11%
Kang Lan	Ordinary	9,460,000	Individual	0.11%
Gong Ping	Ordinary	9,360,000	Individual	0.11%
Zhang Shengman	Ordinary	430,000	Individual	0.01%
Zhang Huaqiao	Ordinary	80,000	Individual	0.00%
David T. Zhang	Ordinary	80,000	Individual	0.00%
Yang Chao	Ordinary	70,000	Individual	0.00%
Lee Kai-Fu	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%
			933,294,708	Corporate	46.41%
Wang Qunbin		H Shares	6,706,000	Corporate	1.66%
	Fosun International Holdings Ltd.	Ordinary	5,555	Individual	11.11%
	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%
Qin Xuetao	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, 6,155,972,473 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 2016, 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 close 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	6,155,972,473 ⁽²⁾	71.76%
Fosun International Holdings Ltd. ⁽¹⁾	6,155,972,473 ⁽²⁾⁽³⁾	71.76%

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 2016, 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
Dakin Capital Limited	A corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Dakin Capital 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, Dakin Capital was not interested, directly or indirectly, in any assets which had since 31 December 2016 (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.

Dakin Capital 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 6 June 2017:

- (a) a copy of the Share Award Scheme;
- (b) the letter from Dakin Capital 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Fosun International Limited (the “**Company**”) will be held at 10:30 a.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) on Tuesday, 6 June 2017 at Grand Ballroom, 1st Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong for the following purpose:

1. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

“THAT

- (a) the grant of specific mandate to the directors of the Company (the “**Directors**”) regarding the issue and allotment of an aggregate of 4,605,200 new shares (“**New Award Shares**”) to Computershare Hong Kong Trustees Limited to hold on trust for selected participants who are selected by the Board (the “**Selected Participants**”) for participation in the share award scheme adopted by the Company on 25 March 2015 (the “**Share Award Scheme**”) (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) (the “**Award**”) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the grant of 375,000 award shares pursuant to the Share Award Scheme to Mr. Chen Qiyu is hereby approved and confirmed;
- (c) the grant of 375,000 award shares pursuant to the Share Award Scheme to Mr. Xu Xiaoliang is hereby approved and confirmed;
- (d) the grant of 325,000 award shares pursuant to the Share Award Scheme to Mr. Qin Xuetao is hereby approved and confirmed;
- (e) the grant of 190,000 award shares pursuant to the Share Award Scheme to Mr. Wang Can is hereby approved and confirmed;
- (f) the grant of 190,000 award shares pursuant to the Share Award Scheme to Ms. Kang Lan is hereby approved and confirmed;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (g) the grant of 190,000 award shares pursuant to the Share Award Scheme to Mr. Gong Ping is hereby approved and confirmed;
- (h) the grant of 35,000 award shares pursuant to the Share Award Scheme to Mr. Zhang Shengman is hereby approved and confirmed;
- (i) the grant of 35,000 award shares pursuant to the Share Award Scheme to Mr. Zhang Huaqiao is hereby approved and confirmed;
- (j) the grant of 35,000 award shares pursuant to the Share Award Scheme to Mr. David T. Zhang is hereby approved and confirmed;
- (k) the grant of 35,000 award shares pursuant to the Share Award Scheme to Mr. Yang Chao is hereby approved and confirmed;
- (l) the grant of 35,000 award shares pursuant to the Share Award Scheme to Dr. Lee Kai-Fu is hereby approved and confirmed;
- (m) the grant of 190,000 award shares pursuant to the Share Award Scheme to Mr. Qian Jiannong is hereby approved and confirmed;
- (n) the grant of 85,000 award shares pursuant to the Share Award Scheme to Mr. Wang Jiping is hereby approved and confirmed;
- (o) the grant of 45,000 award shares pursuant to the Share Award Scheme to Mr. Li Jun is hereby approved and confirmed;
- (p) the grant of 45,000 award shares pursuant to the Share Award Scheme to Mr. Xu Lingjiang is hereby approved and confirmed;
- (q) the grant of 3,090,000 award shares pursuant to the Share Award Scheme to Selected Participants, other than those persons named in resolutions 1(b) to 1(p) above, is hereby approved and confirmed; and
- (r) any one or more of the Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Award and the transactions contemplated thereunder, including but not limited to the issue and allotment of the New Award Shares pursuant to the Share Award Scheme.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

“**THAT:**

the adoption of the share option incentive scheme (the “**Shanghai Henlius Share Option Incentive Scheme**”) of Shanghai Henlius Biotech Co., Ltd. (“**Shanghai Henlius**”), and to authorize the board of directors of Shanghai Henlius to grant the options under the Shanghai Henlius Share Option Incentive Scheme, allot and issue shares of Shanghai Henlius to be issued upon exercise of options to be granted under the Shanghai Henlius Share Option Incentive Scheme, as well as to take all steps as considered to be necessary, expedient and appropriate to give effect to the Shanghai Henlius Share Option Incentive Scheme.”

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

19 May 2017

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not to be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited (the “**Share Registrar**”) at Shops 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Thursday, 1 June 2017 to Tuesday, 6 June 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 31 May 2017.
4. For details in relation to the ordinary resolutions set out in item 2 of the above notice, please refer to the circular regarding the proposed adoption of Shanghai Henlius Share Option Incentive Scheme despatched together with this notice.

As at the date of this notice, the executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Qin Xuetao, Mr. Wang Can, Ms. Kang Lan and Mr. Gong Ping; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao and Dr. Lee Kai-Fu.