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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares of Fosun International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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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**



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A notice convening the AGM of the Company to be held on 6 June 2018, Wednesday, at 10 a.m. at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom, Lower level I, Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong concurrently by video conference 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, containing its advice to the Shareholders is set out on pages 15 to 25 of this circular.

26 April 2018

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## DEFINITIONS

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

“2015 Award”	the grant of 4,620,000 Award Shares to 71 Selected Participants in 2015 under the Share Award Scheme
“2016 Award”	the grant of 5,410,000 Award Shares to 69 Selected Participants in 2016 under the Share Award Scheme
“2017 Award”	the grant of 5,275,000 Award Shares to 65 Selected Participants in 2017 under the Share Award Scheme
“2018 Award”	the grant of 5,902,000 Award Shares to 70 Selected Participants in 2018 under the Share Award Scheme
“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 28 March 2018 in relation to, among others, the issue of New Award 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 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
“Existing Award Shares”	the 534,850 Award Shares which had lapsed before vesting under the 2015 Award, 2016 Award and 2017 Award
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“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 AGM to approve the 2018 Award
“Latest Practicable Date”	19 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lego” or “Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the 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 5,367,150 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
“Selected Participant(s)”	the eligible persons selected by the Board for participation in the Share Award Scheme in respect of the award of the Award Shares
“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, the 2017 Award and 2018 Award
“Shareholder(s)”	holder(s) of the issued Share(s)

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## DEFINITIONS

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“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
“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

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LETTER FROM THE BOARD

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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)

**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 Xuetang  
Mr. Wang Can  
Ms. Kang Lan  
Mr. Gong Ping

**Registered Office:**

Room 808  
ICBC Tower  
3 Garden Road  
Central  
Hong Kong

*Independent Non-executive Directors:*

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

26 April 2018

*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 5,902,000 Award Shares to 70 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 5,367,150 New Award Shares pursuant to a Specific Mandate to be obtained in the AGM; and (ii) 534,850 Award Shares which were lapsed before vesting under the 2015 Award, 2016 Award and 2017 Award. The Trust is an employees' share scheme of the Company, as at the date of the Announcement and the Latest Practicable Date, and the aggregate of the Company's connected persons' interest in such scheme is approximately

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## LETTER FROM THE BOARD

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50.27% and 49.02% respectively. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of a connected person of the Company and the issue of the New Award Shares to the Trustee shall constitute a connected transaction of the Company 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 2018 Award and their respective associates at the AGM.

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

### DETAILS OF AWARD OF THE AWARD SHARES

On 28 March 2018, the Board resolved to award an aggregate of 5,902,000 Award Shares to 70 Selected Participants under the Share Award Scheme. The Award of Award Shares under the 2018 Award will be settled by way of (i) issue and allotment of 5,367,150 New Award Shares pursuant to a Specific Mandate to be obtained in the AGM; and (ii) 534,850 Award Shares which had lapsed before vesting under the 2015 Award, 2016 Award and 2017 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 Trustee will not have any voting right and the Award Shares held by the Trustee on trust for the Selected Participants will not be counted as shares held by public. The number of Award Shares granted to each of the Selected Participants under the 2018 Award was determined in accordance with their respective contributions to the Group.

### General Information

The information in relation to the Award of the 5,902,000 Award Shares, to be settled by way of (i) the issue and allotment of the 5,367,150 New Award Shares; and (ii) 534,850 Award Shares which were lapsed before vesting under the 2015 Award, 2016 Award and 2017 Award to the Selected Participants is set out below:

Securities to be newly issued:	5,367,150 New Award Shares
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Securities to be re-awarded:	534,850 Award Shares which were lapsed before vesting under the 2015 Award, 2016 Award and 2017 Award
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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 534,850 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

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## LETTER FROM THE BOARD

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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 2018 Award in trust in accordance with the Trust Deed for the 70 Selected Participants under the 2018 Award, who are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; and (iii) senior management of the Group's core affiliated enterprises

In general, the Selected Participants should have been with the Group for more than one year as at 31 December 2017 and each of them should have met their respective performance evaluation results for the year ended 31 December 2017

Market price of the Shares: The closing price of the Shares on 28 March 2018 as quoted on the Stock Exchange is HK\$17.58 per Share

The average closing price of the Shares for the five consecutive trading days immediately preceding 28 March 2018 as quoted on the Stock Exchange is HK\$17.40 per Share

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$17.02 per Share

Vesting: Subject to the satisfaction of the vesting criteria and conditions of the 2018 Award, the Award Shares awarded under the 2018 Award shall be transferred to the Selected Participants under the 2018 Award upon expiry of the following vesting periods:

<b>Percentage of Award Shares to be vested</b>	<b>Vesting Date</b>
33%	28 March 2019
33%	28 March 2020
34%	28 March 2021

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 2018 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:



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## LETTER FROM THE BOARD

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- Vesting (continued):
- 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 exercise in the 12 months immediately preceding the Latest Practicable Date

### **Award to the Connected Persons of the Company**

Among those 70 Selected Participants under the 2018 Award, 21 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.

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## LETTER FROM THE BOARD

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Their details are as follows:

<b>Directors</b>	<b>Number of Award Shares</b>
Chen Qiyu	555,000
Xu Xiaoliang	555,000
Qin Xuetang	340,000
Wang Can	310,000
Kang Lan	260,000
Gong Ping	240,000
Zhang Shengman	25,000
Zhang Huaqiao	25,000
David T. Zhang	25,000
Yang Chao	25,000
Lee Kai-Fu	25,000
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Subtotal	2,385,000
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<b>Directors of significant subsidiaries of the Company</b>	<b>Number of Award Shares</b>
Zhang Houlin	260,000
Li Tao	110,000
Qian Jiannong	80,000
Wang Jiping	75,000
Li Jun	45,000
Yu Xiaodong	40,000
Wu Xiaoyong	40,000
Chi Xiaolei	40,000
Xu Lingjiang	35,000
Pei Yu	35,000
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Subtotal	760,000
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<b>Total</b>	<b>3,145,000</b>
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### Conditions

The grant of the Award Shares to the Selected Participants under the 2018 Award shall be subject to the following conditions:

- (a) the grant of the listing approval by the Stock Exchange in respect of the New Award Shares;  
and

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## LETTER FROM THE BOARD

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- (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.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate 5,367,150 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 5,367,150 New Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.06253% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.06249% of the total number of Shares in issue as enlarged by the issue and allotment of the New Award Shares.

As at the Latest Practicable Date and after the allotment of the New Award Shares, the shareholding structure of the Company will be as follows (for illustrating the effect of the new allotment):

Name of Shareholders	As at the Latest Practicable Date		After the allotment of the New Award Shares	
	<i>Number of issued Shares held</i>	<i>Approximate percentage (%)</i>	<i>Number of issued Shares held</i>	<i>Approximate percentage (%)</i>
<b>Substantial Shareholders</b>				
Fosun Holdings Limited	6,155,972,473 <sup>(2)</sup>	71.72%	6,155,972,473 <sup>(2)</sup>	71.67%
Fosun International Holdings Ltd. <sup>(1)</sup>	6,155,972,473 <sup>(2)(3)</sup>	71.72%	6,155,972,473 <sup>(2)(3)</sup>	71.67%
<b>Directors</b>				
Guo Guangchang	6,155,972,473 <sup>(3)</sup>	71.72%	6,155,972,473 <sup>(3)</sup>	71.67%
Chen Qiyu	4,340,800	0.05%	4,895,800	0.06%
Xu Xiaoliang	1,907,800	0.02%	2,462,800	0.03%
Qin Xuetang	4,703,640	0.06%	5,043,640	0.06%
Wang Can	268,900	0.00%	578,900	0.01%
Kang Lan	295,200	0.01%	555,200	0.01%
Gong Ping	232,600	0.00%	472,600	0.01%
Zhang Shengman	233,100	0.00%	258,100	0.00%
Zhang Huaqiao	33,100	0.00%	58,100	0.00%
David T. Zhang	33,100	0.00%	58,100	0.00%
Yang Chao	23,100	0.00%	48,100	0.00%
Lee Kai-Fu	0	0.00%	25,000	0.00%
<b>Other Selected Participants</b>	2,478,194	0.03%	5,460,344	0.06%
<b>Other public Shareholders</b>	<u>2,413,002,837</u>	<u>28.11%</u>	<u>2,413,002,837</u>	<u>28.09%</u>
<b>Total</b>	<u>8,583,524,844</u>	<u>100%</u>	<u>8,588,891,994</u>	<u>100%</u>

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## LETTER FROM THE BOARD

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*Notes:*

- (1) Fosun International Holdings Ltd. is owned as to 64.45% by Guo Guangchang.
- (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 Guangchang, 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.

Upon the allotment and issue of all the New Award Shares, the shareholding of the existing public Shareholders of 2,413,002,837 Shares will be diluted from approximately 28.11% to 28.09%. Based on the closing price of HK\$17.02 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value of the 5,367,150 New Award Shares is HK\$91,348,893 and (ii) the aggregate market value of the 5,902,000 Award Shares under the 2018 Award is HK\$100,452,040.

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 Company's principal business is to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world. The Health Ecosystem includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the Happiness Ecosystem includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle while the Wealth Ecosystem includes three major segments: Insurance and Finance, Investment and Hive Property.

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.

The Company has resolved to grant Award Shares to 70 core personnel which are Selected Participants under the 2018 Award, with a view to further motivate employees to maximize the Company's long-term interests and highlight the principle of performance-based awards so as to create more value for the Group. The Selected Participants under 2018 Award include Directors and the Group's business and functional department heads, backbone employees 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.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATION

The Award constitutes a connected transaction 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 50.27% as at the date of the Announcement and 49.02% 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 2018 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 2018 Award and their respective associates (holding approximately 0.26% 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.

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## LETTER FROM THE BOARD

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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 AGM to approve the 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
<b>Directors</b>		
Chen Qiyu	4,340,800	0.05%
Xu Xiaoliang	1,907,800	0.02%
Qin Xuetang	4,703,640	0.06%
Wang Can	268,900	0.00%
Kang Lan	295,200	0.01%
Gong Ping	232,600	0.00%
Zhang Shengman	233,100	0.00%
Zhang Huaqiao	33,100	0.00%
David T. Zhang	33,100	0.00%
Yang Chao	23,100	0.00%
Lee Kai-Fu	0	0.00%
<b>Directors of the significant subsidiaries of the Company</b>		
Zhang Houlin	368,800	0.01%
Li Tao	0	0.00%
Qian Jiannong	358,900	0.01%
Wang Jiping	90,350	0.00%
Li Jun	19,577	0.00%
Yu Xiaodong	719	0.00%
Wu Xiaoyong	30,100	0.00%
Chi Xiaolei	33,000	0.00%
Xu Lingjiang	0	0.00%
Pei Yu	0	0.00%
<b>Senior management</b>	1,136,149	0.01%
<b>Backbone employees</b>	421,022	0.01%
<b>Heads of core enterprises</b>	19,577	0.00%
<b>Trustee</b>	7,229,050	0.08%
<b>Total</b>	<u>21,778,584</u>	<u>0.26%</u>

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## LETTER FROM THE BOARD

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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 2018 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. 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 2018 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.

### **AGM**

A notice convening the AGM of the Company to be held on 6 June 2018, Wednesday, at 10 a.m. at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom, Lower level I, Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong concurrently by video conference 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.

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## LETTER FROM THE BOARD

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Your attention is drawn to the letter from Lego, 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 is set out on pages 15 to 25 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*



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## LETTER OF ADVICE FROM LEGO CORPORATE FINANCE LIMITED

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*The following is the full text of a letter of advice from Lego, the independent financial adviser to the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Shareholders in respect of the grant of the Award Shares to the Selected Participants under the 2018 Award.*



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

26 April 2018

*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 UNDER THE SHARE AWARD SCHEME**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to the Independent Shareholders in respect of the issue of the New Award Shares under the 2018 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 26 April 2018 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 28 March 2018, the Board resolved to award an aggregate of 5,902,000 Award Shares to 70 Selected Participants under the Share Award Scheme. The Award of Award Shares under the 2018 Award will be settled by way of: (i) issue and allotment of 5,367,150 New Award Shares pursuant to the Specific Mandate to be obtained in the forthcoming AGM; and (ii) 534,850 Award Shares which had lapsed before vesting under the 2015 Award, 2016 Award and 2017 Award. As at the Latest Practicable Date, the aggregate of 5,367,150 New Award Shares to be issued and allotted to the Selected Participants under the 2018 Award represent approximately 0.06253% of the existing issued share capital of the Company and approximately 0.06249% 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; and (iii) senior management of the Group's core affiliated enterprises.

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The Trust is an employees' share scheme of the Company, and the aggregate of the Company's connected persons' interest in such scheme is approximately 50.27% as at the date of the Announcement and 49.02% as at the Latest Practicable Date. 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 constitutes a connected transaction of the Company and is subject to the reporting, announcement and the shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Trustee, the Selected Participants under the 2018 Award and their respective associates are required to abstain from voting on the resolutions at the AGM to approve the 2018 Award.

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 associates who are required to abstain from voting on the resolution at the AGM to approve the 2018 Award are as follows:

	<b>Number of Shares abstain from voting</b>	<b>Approximate percentage of Shares in issue</b>
<b>Directors</b>		
Chen Qiyu	4,340,800	0.05%
Xu Xiaoliang	1,907,800	0.02%
Qin Xuetao	4,703,640	0.06%
Wang Can	268,900	0.00%
Kang Lan	295,200	0.01%
Gong Ping	232,600	0.00%
Zhang Shengman	233,100	0.00%
Zhang Huaqiao	33,100	0.00%
David T. Zhang	33,100	0.00%
Yang Chao	23,100	0.00%
Lee Kai-Fu	0	0.00%
<b>Directors of the significant subsidiaries of the Company</b>		
Zhang Houlin	368,800	0.01%
Li Tao	0	0.00%
Qian Jiannong	358,900	0.01%
Wang Jiping	90,350	0.00%
Li Jun	19,577	0.00%
Yu Xiaodong	719	0.00%
Wu Xiaoyong	30,100	0.00%
Chi Xiaolei	33,000	0.00%
Xu Lingjiang	0	0.00%
Pei Yu	0	0.00%

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	Number of Shares abstain from voting	Approximate percentage of Shares in issue
Senior management	1,136,149	0.01%
Backbone employees	421,022	0.01%
Heads of core enterprises	19,577	0.00%
Trustee	<u>7,229,050</u>	<u>0.08%</u>
<b>Total</b>	<b><u>21,778,584</u></b>	<b><u>0.26%</u></b>

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

As at the Latest Practicable Date, Lego did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Lego. In the last two years, Lego has acted as the independent financial adviser to the independent board committee and the Shareholders 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. (details of which were set out in the circular of the Company dated 28 April 2016) and as the independent financial adviser to the Shareholders in relation to the issue of new shares under the share award scheme (details of which were set out in the circular of the Company dated 28 April 2016). Apart from normal professional fees paid or payable to us in connection with the afore-mentioned 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 2018 Award and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they

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were made and continued to be so until the Latest Practicable Date. In addition, the Company shall inform the Independent Shareholders of any material change of information in the Circular between the Latest Practicable Date and the date of the AGM.

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

### PRINCIPAL FACTORS AND REASONS CONSIDERED

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

#### 1. Background of and reasons for the 2018 Award

##### *1.1 Information on the Group*

The Company's principal business is to create customer-to-maker (C2M) ecosystems in health, happiness and wealth, providing high-quality products and services for families around the world.

The Group has three major ecosystems for the year ended 31 December 2017, namely health ecosystem, happiness ecosystem and wealth ecosystem. The health ecosystem includes three major parts: Pharmaceutical, Medical Services & Health Management and Health Products; the happiness ecosystem includes three major parts: Tourism & Leisure, Fashion and Consumer & Lifestyle while the wealth ecosystem includes three major segments: Insurance and Finance, Investment and Hive Property.

The following table summarises the financial information of the Group for the audited results for the two years ended 31 December 2017 and 31 December 2016 respectively prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) extracted from the annual results announcement of the Company dated 27 March 2018 (“**2017 Annual Results Announcement**”).

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	<b>For the year ended 31 December</b>		<b>Year-on-year</b>
	<b>2017</b>	<b>2016</b>	<b>change (%)</b>
	<i>RMB million</i>	<i>RMB million</i>	
	(audited)	(audited)	
<b>Revenue</b>	88,025.2	73,966.6	19.0%
<b><i>Health Ecosystem</i></b>	22,486.3	18,170.7	23.8%
<b><i>Happiness Ecosystem</i></b>	11,694.4	10,445.0	12.0%
<b><i>Wealth Ecosystem</i></b>	54,504.5	45,821.4	18.9%
– Insurance and Finance	27,969.5	27,954.7	0.1%
– Investment	4,248.6	2,920.4	45.5%
– Hive Property	22,286.4	14,946.3	49.1%
<b>Profit before tax</b>	22,971.0	16,280.8	41.1%
<b>Profit for the year</b>	16,796.0	12,686.2	32.4%

As illustrated in the table above, the revenue of the Group amounted to approximately RMB88,025.2 million for the year ended 31 December 2017, representing an increase of approximately 19.0% as compared to that of approximately RMB73,966.6 million for the year ended 31 December 2016. The profit for the year ended 31 December 2017 increased by approximately 32.4% from approximately RMB12,686.2 million for the year ended 31 December 2016 to approximately RMB16,796.0 million for the year ended 31 December 2017. Such increase was mainly due to the growth in (i) the health ecosystem; and (ii) the Investment segment and Hive Property segment of the wealth ecosystem.

The revenue of the health ecosystem increased from approximately RMB18,170.7 million for the year ended 31 December 2016 to approximately RMB22,486.3 million for the year ended 31 December 2017, representing a growth of approximately 23.8%. According to the 2017 Annual Results Announcement, the increase in the revenue of the health ecosystem was mainly attributable to the continuous and steady growth of the revenue of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (“**Fosun Pharma**”). The increase in profit was mainly due to the increase of Fosun Pharma’s profit and investment gain related to medical services and health products.

The revenue of the investment segment of the wealth ecosystem increased from approximately RMB2,920.4 million for the year ended 31 December 2016 to approximately RMB4,248.6 million for the year ended 31 December 2017, representing a growth of approximately 45.5%. According to the 2017 Annual Results Announcement, the increase in revenue of the investment segment were mainly due to the continuous expansion of investment scale and increase in investment income.

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The revenue of the hive property segment of the wealth ecosystem increased from approximately RMB14,946.3 million for the year ended 31 December 2016 to approximately RMB22,286.4 million for the year ended 31 December 2017, representing a growth of approximately 49.1%. According to the 2017 Annual Results Announcement, the increase in revenue and profit of the hive property segment were mainly due to the property area (booked area) increased compared with the same period of last year.

### *1.2 Reasons for the adoption of the Share Award Scheme*

On 28 March 2018, the Board resolved to award an aggregate of 5,902,000 Award Shares to 70 Selected Participants under Share Award Scheme. The Selected Participants under the 2018 Award are (i) Directors; (ii) the Group's business and functional department heads and backbone employees; and (iii) senior management of the Group's core affiliated enterprises.

In general, such Selected Participants under the 2018 Award should have been with the Group for more than one year as at 31 December 2017 and each of them have met their respective performance evaluation results for the year ended 31 December 2017. As at the Latest Practicable Date, the aggregate of 5,367,150 New Award Shares to be issued and allotted to the Selected Participants represent approximately 0.06253% of the existing issued share capital of the Company and approximately 0.06249% of the issued share capital of the Company as enlarged by the issue and allotment of the New Award Shares.

According 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 Award 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.

According to the 2017 Annual Results Announcement, the purpose of the Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain the eligible persons to make contributions to the long-term growth and profits of the Group. Therefore, the Group has resolved to grant Award Shares to 70 Selected Participants under the 2018 Award, with a view to further motivate employees to maximize the Company's long-term interests and highlight the principle of performance-based awards so as to create more value for the Group. The Selected Participants under the 2018 Award include Directors, the Group's business and functional department heads and backbone employees, and senior management of the Group's core affiliated enterprises.

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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 2018 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 2018 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 2018 Award. After careful consideration of the various alternatives, the Directors consider the 2018 Award to be the most appropriate given that, as opposed to the other alternatives, the 2018 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 2018 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 2018 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 2018 Award to the Selected Participants, we are of the opinion that the 2018 Award to the Selected Participants is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the 2018 Award**

The grant of the 5,902,000 Award Shares to the Selected Participants of which 5,367,150 New Award Shares shall be subject to (a) the grant of the listing approval by the Stock Exchange in respect of the New Award Shares; and (b) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the New Award Shares and the Specific Mandate.

#### ***Vesting period of the Award Shares under the 2018 Award***

Subject to the satisfaction of the vesting criteria and conditions of the 2018 Award, the Award Shares awarded under the 2018 Award shall be transferred to the Selected Participants upon expiry of the following vesting period: (i) 33% vesting on 28 March 2019; (ii) 33% vesting on 28 March 2020; and (iii) 34% vesting on 28 March 2021. On each of the above vesting dates, the Company is entitled to downward adjust the actual amount of Award Shares that can be vested to the respective Selected Participants under the 2018 Award according to their performance at its sole discretion.

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The Company shall consider the performance for each Selected Participant before adjusting the actual amount of Award Shares. According to our discussion with the management of the Company, we understand that the Board adopts the 2018 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 2018 Award*

According to the 2018 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; and (iv) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged, unless the Board or its delegate(s) determines otherwise at their sole discretion. Shareholders may refer to the sub-section headed "12. Cessation as an Eligible Person" as contained in the announcement of the Company dated 25 March 2015 for further details of the clauses which may lead to the Award Shares under the 2018 Award being forfeited.

### *Market price of the Award Shares under the 2018 Award*

Based on the closing price of HK\$17.58 per Share as quoted on the Stock Exchange as at 28 March 2018, being the date of the 2018 Award, the aggregate value of the Award Shares under the 2018 Award is HK\$103,757,160. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

### *2018 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 2018 Award:



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<b>Directors</b>	<b>Position</b>	<b>As at the date of the Announcement, length of services in the Group</b>	<b>Number of Award Shares</b>
Chen Qiyu	Co-President & Executive Director	24 years	555,000
Xu Xiaoliang	Co-President & Executive Director	20 years	555,000
Qin Xuetang	Executive Director	23 years	340,000
Wang Can	Executive Director	5 years	310,000
Kang Lan	Executive Director	8 years	260,000
Gong Ping	Executive Director	7 years	240,000
Zhang Shengman	Independent non-executive Director	11 years	25,000
Zhang Huaqiao	Independent non-executive Director	6 years	25,000
David T. Zhang	Independent non-executive Director	6 years	25,000
Yang Chao	Independent non-executive Director	3 years	25,000
Lee Kai-Fu	Independent non-executive Director	1 year	25,000

<b>Directors of the significant subsidiaries of the Company</b>	<b>Position</b>	<b>As at the date of the Announcement, length of services in the Group</b>	<b>Number of Award Shares</b>
Zhang Houlin	Director of Forte ( <i>Notes 1 &amp; 2</i> )	18 years	260,000
Li Tao	Director of Fidelidade ( <i>Notes 1 &amp; 2</i> )	1 year	110,000
Qian Jiannong	Director of Club Med ( <i>Notes 1 &amp; 2</i> )	8 years	80,000
Wang Jiping	Director of Forte ( <i>Notes 1 &amp; 2</i> )	18 years	75,000
Li Jun	Director of Fidelidade ( <i>Notes 1 &amp; 2</i> )	4 years	45,000
Yu Xiaodong	Director of Fidelidade ( <i>Notes 1 &amp; 2</i> )	2 years	40,000
Wu Xiaoyong	Director of Ironshore ( <i>Notes 1 &amp; 3</i> )	5 years	40,000
Chi Xiaolei	Director of Ironshore ( <i>Notes 1 &amp; 3</i> )	4 years	40,000
Xu Lingjiang	Director of Fidelidade ( <i>Notes 1 &amp; 2</i> )	4 years	35,000
Pei Yu	Director of Ironshore ( <i>Notes 1 &amp; 3</i> )	5 years	35,000

*Notes:*

- (1) – Club Med refers to Club Med SAS
- Forte refers to Shanghai Forte Land Co., Ltd.
- Fidelidade refers to Fidelidade-Companhia de Seguros, S.A.
- Ironshore refers to Ironshore Inc.

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- (2) Club Med, Forte and Fidelidade are all significant subsidiaries of the Company under Chapter 14A of the Listing Rules.
- (3) Ironshore was the significant subsidiary of the Company under Chapter 14A of the Listing Rules and the disposal transaction of Ironshore was completed on 1 May 2017.

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 2018 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) most of the Selected Participants have joined the Group for more than one year; (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, some of 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 2018 Award to be granted to the Selected Participants were determined based on the Selected Participants' length of service, past performance and the past and expected contributions to the Group; (ii) the relevant Selected Participants (including 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 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 2018 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 2018 Award are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned, and the 2018 Award is in the interest of the Company and the Shareholders as a whole.

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### 3. Financial effects of the 2018 Award

After granting of the Award Shares under the 2018 Award to the Selected Participants, the value of such 2018 Award would be allocated and charged as expenses of the Group for the relevant financial year during the vesting period. No fund will be raised by the Company as a result of the issue and allotment of the New Award Shares.

### RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that the terms of the issue and allotment of the New Award Shares and the 2018 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 2018 Award are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent 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 Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 19 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	6,155,972,473 <sup>(1)</sup>	Corporate	71.72%
Chen Qiyu	Ordinary	16,883,000	Individual	0.20%
Xu Xiaoliang	Ordinary	14,450,000	Individual	0.17%
Qin Xuetang	Ordinary	15,487,640	Individual	0.18%
Wang Can	Ordinary	9,725,000	Individual	0.11%
Kang Lan	Ordinary	9,720,000	Individual	0.11%
Gong Ping	Ordinary	9,600,000	Individual	0.11%
Zhang Shengman	Ordinary	305,000	Individual	0.00%
Zhang Huaqiao	Ordinary	105,000	Individual	0.00%
David T. Zhang	Ordinary	105,000	Individual	0.00%
Yang Chao	Ordinary	95,000	Individual	0.00%
Lee Kai-Fu	Ordinary	60,000	Individual	0.00%

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

Name of Director/ chief executive	Name of associated corporation	Class of shares	Number of shares/ Amount of debentures	Type of interests	Approximate percentage in relevant class of shares/ debentures
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 <sup>(2)</sup>	114,075	Individual	0.01%
		A Shares <sup>(2)</sup>	936,575,490	Corporate	46.57%
			H Shares	9,989,000	Corporate
Wang Qunbin	Sisram Medical Ltd.	Ordinary	330,558,800	Corporate	74.76%
	Fosun International Holdings Ltd.	Ordinary	5,555	Individual	11.11%
	Shanghai Fosun Pharmaceutical Group Co., Ltd.	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
Chen Qiyu	Shanghai Fosun Pharmaceutical Group Co., Ltd.	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
Qin Xuetao	Shanghai Fosun Pharmaceutical Group Co., Ltd.	A Shares <sup>(2)</sup>	114,075	Individual	0.01%
	Fortune Star (BVI) Limited	N/A	2,000,000	Individual	0.14%

*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 2017, 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	6,155,972,473 <sup>(2)</sup>	71.72%
Fosun International Holdings Ltd. <sup>(1)</sup>	6,155,972,473 <sup>(2)(3)</sup>	71.72%

*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 2017, 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:

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

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

As at the Latest Practicable Date, Lego was not interested, directly or indirectly, in any assets which had since 31 December 2017 (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 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 2018:

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