

FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

INTERIM REPORT

2021

乘长

MULTIPLIER GROWTH





Multiplier Growth

Riding the Wave of Momentum, Endeavoring to Achieve Multiplier Growth

With the strengthening measures of global pandemic prevention and control in the first half of 2021, major economic markets have stabilized amidst the volatile market. Fosun rode the wave of momentum and iteratively upgraded its strategy, business, and organization. The Company's results continued to improve, with rapid rebound in various financial indicators and growth in both revenue and net profit in its 2021 interim results.

Fosun has been working diligently in the four major segments of Health, Happiness, Wealth, and Intelligent Manufacturing for many years, and has actively implemented the twin-driver strategy of "Industry Operations + Industrial Investment". As the impact of the pandemic wears off, many segments of the Group gradually recovered and resumed growth. Next year marks the 30th anniversary of the founding of Fosun. After 30 years of experience, Fosun has solidified its global presence, strengthened its existing industry operations and developed many businesses from scratch. After years of operations, many industries have begun to enter the harvest period, and some new industries have entered a period of rapid development.

Fosun has experienced the era of entrepreneurship and breakthrough entrepreneurship, and will step into the era of "co-entrepreneurship" in the future. As an innovation-driven consumer group, the only way Fosun would like to achieve multiplier growth is to constantly create more value for its clients. Therefore, Fosun will continue to deepen the twin-driver strategy of "Industry Operations + Industrial Investment" in the future, and continue to improve customer satisfaction through the Fosun Entrepreneurship/Ecosystem system (FES) that Fosun is currently building in full swing. Meanwhile, Fosun will continue to uphold its "co-entrepreneurship" spirit, strengthen synergies within Fosun's ecosystem, so as to endeavor to achieve "multiplier growth".

After experiencing an unprecedented COVID-19 pandemic in 2020, 2021 is a new starting point for Fosun's further transformation. Fosun, which is about to enter the "30 years of establishment", will keep on upholding its original aspiration of developing its business for good, inspired by its corporate culture of "Self-improvement, Teamwork, Performance, and Contribution to Society", with a view to riding the wave of momentum and endeavoring to achieve multiplier growth. In the future, Fosun will uphold the principles of "Multiplier Growth, Co-Entrepreneurship and Commitment" to lead the governance and development of the Company. Fosun will continue to strive to shoulder more social responsibilities, focus on environmental, social and governance (ESG), constantly create value and give back to the society, helping to promote high-quality development and shared prosperity. Meanwhile, we will further enhance our global partnership system and incentive mechanism, building a FC2M (Fosun Client to Maker) ecosystem of healthy and happy lifestyle for global families.

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FINANCIAL SUMMARY

In RMB million	For the six months ended 30 June	
	2021	2020 (Restated*)
Revenue	70,405.8	63,269.2
Health	19,282.0	16,240.6
Happiness	28,461.3	27,026.1
Wealth	19,649.9	19,312.1
<i>Insurance</i>	15,475.3	14,162.5
<i>Asset Management</i>	4,174.6	5,149.6
Intelligent Manufacturing	3,569.7	1,181.2
Eliminations	(557.1)	(490.8)
Profit/(loss) attributable to owners of the parent	4,062.2	2,012.1
Health	1,214.8	364.2
Happiness	(1,168.2)	(454.2)
Wealth	2,410.5	1,192.8
<i>Insurance</i>	1,415.3	(1,966.5)
<i>Asset Management</i>	995.2	3,159.3
Intelligent Manufacturing	1,629.1	901.7
Eliminations	(24.0)	7.6
Earnings per share – basic (in RMB)	0.48	0.24
Earnings per share – diluted (in RMB)	0.48	0.24

* The comparative segment information has been restated to reflect the change of the reporting segments of the Group. Please refer to note 2 of Interim Condensed Consolidated Financial Information for more operating segment information.

BUSINESS OVERVIEW

After nearly three decades of development, Fosun now operates four business segments, namely Health, Happiness, Wealth and Intelligent Manufacturing. It aims to provide high-quality products and services to families around the world with its focus on industry operations.

Development underpinned by recoveries in businesses and complementary investments

As a global company rooted in China, the Group has been upholding its twin-driver strategy of "Industry Operations + Industrial Investment" since 2019. It has developed a solid global presence with its business operations in more than 20 countries and regions across five continents. As the COVID-19 pandemic is being brought under control, thanks to the world's increasing capacity to combat the coronavirus, the Group has been adapting its business models to the changes in social and economic activities as regular pandemic control measures have become the norm. During the Reporting Period, the Group saw a recovery in its business as reflected in growth in such financial indicators as revenue and net profit. The total revenue increased by 11% year-on-year to RMB70.41 billion. Excluding the declining revenue from FTG, the year-on-year growth in the Group's total revenue would have been RMB8.88 billion, a year-on-year increase of 15%. The profit attributable to owners of the parent during the Reporting Period grew by 102% year-on-year to RMB4.06 billion. Excluding the impact of FTG, the profit attributable to owners of the parent would have risen by 107% year-on-year to RMB5.68 billion.

During the Reporting Period, the industrial operation profit¹ amounted to RMB5.69 billion, representing a year-on-year growth of 40%, and, if the impact of FTG is excluded, would have increased by 53% year-on-year, which reflects the sustainable growth in the Group's businesses despite the pandemic. On the other hand, the Group has also made a series of successful industrial investments, which are another key driving force that fit in with the Group's development strategy. During the Reporting Period, the Group invested in Wansheng², a world-leading producer of phosphorus-based flame retardant; Fosun Pharma has proposed its establishment of a Chinese joint venture with BioNTech based on its mRNA technology platform; Fosun Fashion Group entered into the

agreement for the acquisition of a well-known Italian women's footwear company Sergio Rossi, and some other investments of the Group which will have high synergy with the Group's existing operations and high potential for growth. In the second half of the year, people around the world have been changing the way in which they live, work, travel, and spend to adapt to the new social and economic conditions in the post-COVID-19 era. The Group expects a gradual recovery in its business which will be reflected in its financial and operational indicators.

Building an FC2M ecosystem by putting customers as its top priority

After having gone through two stages of its development, namely those of "Taking roots in China" and subsequently "Combining China's growth momentum with global resources", the Group began in 2018 to target billions of families around the world as customers to build a family-oriented, Fosun Client to Maker (FC2M) Ecosystem. Since 2019, when the Group fully embraced its twin-driver strategy of "Industry Operations + Industrial Investment", the Group has dedicated itself to providing more high-quality products to customers through its profound industry operations, with a view to creating a multiplier effect within its FC2M Ecosystem. Therefore, over the past few years, the Group has taken much effort to enhance its product development capability at the "M" (Maker)-end. For instance of Fosun Pharma, the flagship company in the Health segment, Comirnaty® (mRNA COVID-19 vaccine) was included in the government vaccination programs in Hong Kong and Macau during the Reporting Period. In March, Gland Pharma, an India-listed injectables company, announced that it would produce and supply up to 252 million doses of "Sputnik V" COVID-19 vaccine developed in Russia. In June, Yescarta® (Ejilunsai injection) of Fosun Kite, a joint venture of Fosun Pharma, became the first CAR-T cell therapy product approved for launch in China. In July, Sisram Med entered into a sublicensing agreement with a subsidiary of Fosun Pharma for the aesthetic indications of RT002 in Greater China, to further enrich its injectables business pipeline and to collect strategic products for future expansion into the C-end market. These globally advanced products have fully demonstrated the competitiveness of the Group's products which have resulted from its capability to innovate unceasingly.

¹ Industrial operation profit: It includes the profit contribution of industrial operation subsidiaries of the Group and associates and joint ventures accounted by equity method.

² As at the end of the Reporting Period, Nanjing Iron & Steel has not fully completed the acquisition of 29.98% equity interest.

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By putting “C-end Top Priority” at the core strategy of its FC2M Ecosystem, the Group is committed to making good use of internet and other digital solutions to attract and service users via both online and offline channels to create more value for customers in its FC2M Ecosystem. As at the end of the Reporting Period, the accumulative number of registered members of the FC2M Ecosystem reached 376 million, increasing by approximately 5% from that as of 31 December 2020.

Optimizing capital structure to promote long-term prosperity

In addition to focusing on industry operations and building the FC2M Ecosystem, the Group has continued to enhance its financial position so as to form a positive financial ecosystem and lay a solid foundation for its long-term and stable development. In terms of investments, the Group focuses on its four major business segments as well as other businesses that have strong synergy with them. While bolstering all its other existing businesses with its core operations in its Health and Happiness businesses, the Group has also invested in high value-added sectors (for example, Yuyuan’s acquisition of Jinhui Liquor and Shede Spirits) and gradually disposed of its non-core assets. To enhance the investment management, the Group strives to strike a balance between investments and divestments to optimize both its capital allocation and portfolio of businesses.

In terms of financial management, the Group actively manages maturing debts in advance and optimizes debt structure. The Group has keenly grasped the window period of bond capital market and has seen remarkable results in its financing activities on both domestic and overseas bond capital markets. During the Reporting Period, the open market financing of the Company reached RMB36.1 billion. As at the end of July 2021, the Company has issued a total of approximately USD1.6 billion worth of offshore bonds. While optimizing the issuance cost, it has made use of tender offer to repurchase short-dated bonds and proactively managed future maturing debts in advance and improved the maturity profile. While seeking to improve its capital structure, the Group also remains committed to seeking breakthroughs in developing financing channels. During the Reporting Period, the Group became the first Chinese enterprise to establish a euro high yield bond yield curve, while Fosun High Technology, a subsidiary of the Company, was the first Chinese corporation to issue US-dollar bonds in Shanghai Free Trade Zone in July, opening up a new front for the Group’s onshore financing channels.

In terms of credit ratings, Moody’s has upgraded the outlook of the Company to “stable” in February 2021. As at the end of the Reporting Period, the Group continued to maintain ample liquidity and stable financial position with interest-bearing debt to total capital ratio of 55.7%, which was 1.2 percentage

points lower than that as at the end of June 2020; and its cash and bank balances and term deposits reached RMB106.08 billion. The average cost of debt was 4.4% during the Reporting Period. The Group will continue to promote prudent financial management steady capital optimization to facilitate the rapid development of business.

Fulfilling social responsibility with outstanding ESG performance

Committed to “Self-improvement, Teamwork, Performance and Contribution to Society”, the Group has performed well in environmental, social and governance (ESG) practices. While developing rapidly, Fosun leverages the advantages of its well-established businesses to contribute to public welfare by lending its support to the society’s anti-COVID-19 measures, rural doctors, educational and cultural activities, and entrepreneurship. When the pandemic situation worsened in India in April 2021, Fosun Foundation, together with other companies, immediately donated oxygen concentrators, ventilators, masks and other urgently needed medical supplies to India. In July 2021, on the day after the rainstorm in Henan province of China, Fosun Foundation donated RMB50 million worth of cash and resources and participated in collecting and distributing disaster relief in a fastest manner.

As at the end of the Reporting Period, the Company received a rating of A in the MSCI ESG Ratings assessment and a rating of A+ in the Hang Seng Sustainability Index and included in the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB); and its FTSE ESG rating was significantly improved, higher than the industry average. In addition, the Company will be included in the Hang Seng ESG50 Index with effect from 6 September 2021.

HEALTH SEGMENT

The Health segment of the Group focuses on the ecosystem of pharmaceutical, medical diagnosis technology, healthcare services and products, and adheres to the “4 IN” strategy (Innovation, Internationalization, Integration, Intelligentization) to continuously improve its product competitiveness and brand strength, as well as its innovation, integration and internationalization capabilities. With the reform on the medical and healthcare system in China reaching a deeper level, the research and development (“R&D”) and launch of innovative drugs have entered a rapid development phase. Plenty of development opportunities for innovative medical devices and medical diagnostics are expected, resulting in a significant increase in demand for quality medical products and services. The Group has already formed four major listed platforms, namely Fosun Pharma, Shanghai Henlius, Sisram Med and Gland Pharma, and will continue to invest in cutting-edge innovation and build an ecosystem in which all the healthcare businesses are interconnected with each other. Furthermore, it

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will build a medical-grade, one-stop, all-scenario based Fosun health ecosystem on the C-end, and a diverse, distinctive and innovative product matrix on the M-end.

Fosun Pharma is committed to becoming a leading player in the global market for mainstream healthcare. With pharmaceutical manufacturing and R&D as the core of its business, Fosun Pharma endeavors to extend the scope of its business to cover the full value chain of the healthcare industry, ranging from medical devices, medical diagnosis to healthcare services. With the introduction of national policies on centralized procurement of drugs and stepping up the evaluation of new drugs, Fosun Pharma continues to optimize its product mix, build platforms for small-molecule innovative drugs, anti-body drugs and cell therapy technologies centered around oncology, immunomodulation, chronic diseases and the central nervous system. It also kept building up a team in charge of the commercialization of the R&D results. Meanwhile, it has been actively developing and commercializing a COVID-19 vaccine. Comirnaty® (mRNA COVID-19 vaccine) was included in the government vaccination programs in Hong Kong and Macau during the Reporting Period. Fosun Pharma has proposed to establish a joint venture with BioNTech in China to localize the production of the mRNA COVID-19 vaccine. During the Reporting Period, the R&D investment by Fosun Pharma has also come to fruition that in June, Yescarta® (Ejilunsai injection) of Fosun Kite, a joint venture of Fosun Pharma, became the first CAR-T cell therapy product approved for launch in China.

Shanghai Henlius dedicates itself to developing and producing affordable innovative drugs and aspires to become a leader in China's biological medicine industry. It has strong global commercialization capability, covering the whole process of marketing promotion, channel management, pricing and market access, domestic sales and strategic planning. Meanwhile, to further strengthen industrialization-based distribution for biomedicines with high economic benefit based on international standards. The commercial production capacity of Xuhui Facility has been 20,000 liters, and the production capacity construction of 24,000 liters has been completed for the Songjiang First Plant. In addition, Shanghai Henlius enhances the portfolio of its innovative biologics in the pipeline, including serplulimab injection (PD-1). It also speeds up the expansion of innovative potential targets and antibody-drug conjugates (ADC) etc.

Sisram Med is a leading global provider of energy-based medical aesthetic treatment systems, with comprehensive in-house capability to design, develop and produce such systems and has begun to develop its layout into the fields of aesthetic medicine injection products and aesthetic dentistry. Benefiting from strong growth in the markets of North America and China and the expansion and synergy of its multi-dimensional product lines in the global medical

cosmetology market, the revenue during the Reporting Period was USD125.3 million, increased significantly by 74.7% compared with that in the same period in 2020, with profit attributable to owners of the parent increasing by more than 190% year-on-year. During the Reporting Period, while actively expanding its existing energy-based medical aesthetics equipment business, Sisram Med carried out business integration on strategic tracks such as aesthetic dentistry and injectables. In July 2021, Sisram Med completed the merger of the assets of Shanghai Foshion Medical System Co., Ltd, aiming to create a brand new digital dental brand by leveraging its existing global channel and resource advantages. In the same month, Sisram Med entered into a sublicensing agreement with a subsidiary of Fosun Pharma for the aesthetic indications of RT002 in Greater China, to further enrich its injectables business pipeline and to collect strategic products for future expansion into the C-end market.

Gland Pharma is one of the largest and fastest growing generic injectable-focused companies, with a global footprint spanning over 60 countries. Through the B2B (Business-to-business) and CDMO (Contract Development Manufacture Organization) modes, it has been able to achieve high growth in the value chain of the pharmaceutical industry by playing a significant and unique role. Meanwhile, it has strengthened its global production capacity. Seven of its production sites have passed GMP audit/certification in the United States (US), the European Union (EU), Japan, Australia and Brazil, and it is actively promoting its products in the Chinese market. By increasing investment in R&D, Gland Pharma will gradually enter a new field that involves vaccines and biosimilars, and will develop platforms for complex technologies (such as long-acting/suspension products) and complex active pharmaceutical ingredients (API) production (such as fermentation technology).

HAPPINESS SEGMENT

The Happiness segment of the Group aims to establish a world-class FC2M Ecosystem for family spending on happiness, using the ecosystem of happiness businesses, product competitiveness, digitalization, and globalization strategically to create a happier life for families worldwide.

The Happiness segment is divided into two major businesses: branded consumer and tourism and leisure. The platforms for branded consumer business include Yuyuan, Fosun Fashion Group and Fosun Sports Group, which engage in such businesses as jewelry and fashion, liquor and spirits, C-end platforms, fashion brands, food, catering, beauty and health, sports, cultural business and pet care. Meanwhile, FTG is the platform for the tourism and leisure business, engaging in such businesses as the operation of tourism destinations, resorts, hotels, content services and solutions.

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As the flagship enterprise of the Happiness segment, Yuyuan relies on the urban cultural and commercial strengths of Shanghai and has the mission of promoting a happier life for families worldwide through innovation. It is determined to become the world's leading group in the family entertainment and consumption industry with roots in China, leading the trend of Chinese cultural revival. By upholding the twin-driver strategy of "Industry Operations + Industrial Investment", Yuyuan adheres to the concept of happiness and fashion, and continues to develop the "1+1+1" strategy of running "family happiness consumption business + urban commercial landmarks + online and offline member platforms". In the course of such development, Yuyuan has gradually formed an industrial cluster with unique competitive advantages targeting emerging mainstream consumers. Its major business sectors include cultural business, smart retail, jewelry & fashion, cultural catering, food & beverage, Chinese fashion watches, beauty & health, and operating real estates with composite functions.

FTG is a global leader in family retreats. It has three major businesses: resorts, tourism destinations and services and solutions related to tourism. The resort business consists of Club Med, a French-based all-inclusive experience resort, Casa Cook, a luxury boutique resort, Cook's Club, a new-generation trendy resort, and other high-end brands. Tourism destinations include Atlantis Sanya, a high-end, one-stop destination for entertainment, leisure and integrated travel and vacation; FOLIDAY Town, a comprehensive international leisure and vacation destination, and Albion, a professional tourism destination operator and other brands. With the acquisition of Thomas Cook, one of the world's oldest travel brands, and the establishment of the Thomas Cook lifestyle platform and travel agency, FTG's leisure and vacation services and solutions have been greatly improved. It has joined hands with the cultural and entertainment activities provider Fanxiu, international parent-child learning and playing club Miniversity, and a global member club Foryou Club to provide consumers with high-quality travel products and services.

WEALTH SEGMENT

The Group's Wealth segment mainly consists of financial services with insurance as the dominated business. It leverages the Group's profound industry operations capability and global investment capability to build an ecosystem of its global asset management businesses. It uses capital as its foundation and conducts investment to help the Group's Health, Happiness and Intelligent Manufacturing segments achieve industrial complementarity.

The Wealth segment is divided into three major businesses: insurance, asset management (investment) and asset management (property). The insurance business includes overseas and domestic insurance businesses. The overseas insurance businesses led by Fosun Insurance Portugal and Peak Reinsurance. Fosun Insurance Portugal is committed to building financially sound global insurance companies with a balanced business portfolio. Peak Reinsurance provides property & casualty and life & health reinsurance as well as tailor-made reinsurance solutions for global clients. The domestic insurance business includes Pramerica Fosun Life Insurance, a life insurance joint venture between Fosun and The Prudential Insurance Company of America. The asset management (investment) business covers global asset management (private equity investments and venture capital investments), including Fosun Capital, Fosun RZ Capital, German private bank H&A and Guide in Brazil. The asset management (property) business covers globally self-owned properties and third-party real estate asset management. Among them, self-owned properties are mainly to build local landmark buildings. For example, BFC in Shanghai China is the flagship work of the asset management (property) business of the Group.

During the Reporting Period, the core enterprises in insurance sector maintained stable and healthy development, reported growing total investment returns and profit attributable to owners of the parent. Fosun Insurance Portugal optimized its products structure and maintained its position as market leader, achieving total market share in Portugal of 29.3% and non-life business combined ratio of 91.5%. During the Reporting Period, the underwriting margin of Peak Reinsurance improved to 13.0% from 10.8% in the same period of last year. Following the business philosophy of "Long-term Value Growth", Pramerica Fosun Life Insurance achieved optimized business structure and growing premium during the Reporting Period.

In the asset management (investment) business, the non-strategic financial investment projects that the Group had earlier invested in have gradually increased in value. In the future, the Group will continue with a balanced investment-divestment strategy and it will selectively divest itself of non-strategic financial investments and focus on taking controlling stakes in businesses that can complement its existing businesses. At the same time, the Group will expand the scale of market-based industrial fund management and make exploratory investments in core technologies. As at the end of the Reporting Period, the number of private equity funds and venture capital funds under the Group's

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management increased to 23 with total assets of over RMB29.5 billion under its management. Our German private bank H&A has also achieved strong growth despite the headwinds, mainly due to its deployment of resources in the “financial hotspots” in Europe, giving full play to the investment banking business’s strength in industry research and the advantage of its staff as well as the flexible product allocation of the private banking business. During the Reporting Period, the assets under management reached EUR194.7 billion, increased by 29.5% compared with that in the same period in 2020. The return on equity reached 14.4% and the tier 1 capital ratio improved to 21.38% in 2021.

The Group’s business of asset management (property) projects has already shifted the focus from residential property development to the management of the properties that it owns, including residential properties, offices, commercial properties, hotels, infrastructure and logistics properties. That business has already built an optimal portfolio of properties with footholds in China and other countries and regions in Asia Pacific, Europe and the Americas.

INTELLIGENT MANUFACTURING SEGMENT

The Group’s Intelligent Manufacturing segment which mainly consists of the steel and mineral resources businesses, is actively expanding its extension businesses with high added value of science and technology in the fields such as industrial internet and new materials. It is also strategically deploying resources to develop the business of equipments and core components for smart transportation.

In a cyclical boom in the global commodity trade, the Group’s steel and mineral resources businesses, represented by Nanjing Iron & Steel and Hainan Mining, has continued to realize rapid growth. Meanwhile, the technology industries represented by the new energy vehicle industry are experiencing a prosperity. Other companies in the Group’s Intelligent Manufacturing segment are expected to reap dividends from the industry’s rapid development.

Nanjing Iron & Steel has been developing high-end products, such as medium and thick plates, and increasing investment in R&D and environmental protection for many years that further strengthens the company’s long-term strategic advantages. By investing in a coke project in Indonesia, Nanjing Iron & Steel has expanded upstream along the value chain of its main business, thus steadily consolidating its mainstay business advantages. In addition, it is actively expanding into

the business of new materials and invested in Wansheng, the leader in the global industry of phosphorus-based flame retardants, in early 2021.

Hainan Mining continued to enhance its core business and bolster its industry operations, investment and financing capabilities. The iron ore business achieved strong performance in both production and sales during the Reporting Period and continued to reduce costs and increase efficiency through lean management. At the same time, the company has optimized its pricing mechanism to match the iron ore market price more closely. As to the oil and gas business, Hainan Mining, through its overseas subsidiary ROC, acquired natural gas assets in China’s Sichuan Basin, thus expanding the scale of its clean energy business layout.

TARGET FOR 2021

We are about to celebrate the 30th anniversary of the founding of Fosun in 2022. Throughout the stages of the Group’s development respectively marked by its strategies of “China’s growth momentum”, “globalization” and the “glocalization (Global + Local strategy)”, Fosuners have forged ahead amid the historically significant market reform. From a single business entity, Fosun has developed into a consumer group covering Health, Happiness, Wealth, and Intelligent Manufacturing, and has evolved from a start-up with only RMB38,000 in capital into a company that ranked in Top 500 on the Forbes Global 2000 list. Fosun, which is about to enter the 30 years’ establishment, is still very young. It will keep on upholding its corporate cultural value of “Self-improvement, Teamwork, Performance, Contribution to Society”. In the future, Fosun will continue to press on with its twin-driver strategy of “Industry Operations + Industrial Investment”. It will also improve the efficiency of its businesses’ operation through lean operation to speed up the growth of its Health, Happiness, Wealth and Intelligent Manufacturing businesses. We will also stay true to our original aspiration of “Performance, Contribution to Society” and will take more social responsibility, promote the sustainable development of its ESG (environmental, social and governance) practices at all the businesses of Fosun, and continue to create value for customers, employees, shareholders and other stakeholders for a better life. To achieve a continuously growing and evolving organization, we will also strive to strengthen the Group’s Global Partnership system³, further develop its incentive mechanism, kindle the employees’ entrepreneur spirit, and create a FC2M Ecosystem for the healthy and happy life of families worldwide.

³ It is different from the legal concept of “partner” in partnership enterprises.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, total assets of the Group amounted to RMB778,856.1 million, representing an increase of 1.5% compared to the end of 2020.

During the Reporting Period, the Group's revenue amounted to RMB70,405.8 million, an increase of RMB7,136.6 million compared with the same period in 2020, representing a year-on-year increase of 11.3%. In terms of product lines, during the Reporting Period, the revenue from pharmaceutical, devices and diagnosis as well as healthcare services and products accounted for 63%, 15% and 22% of the Group's

revenue from the Health segment respectively; the revenue from branded consumer and tourism and leisure of the Happiness segment accounted for 89% and 11% of the Group's revenue from the Happiness segment respectively; the revenue from insurance, asset management (property) and asset management (investment) of the Wealth segment accounted for 79%, 12% and 9% of the Group's revenue from the Wealth segment respectively; and the revenue from the resources and environment, technology and intellectual manufacturing of the Intelligent Manufacturing segment accounted for 54% and 46% of the Group's revenue from the Intellectual Manufacturing segment respectively.

REVENUE BY SEGMENT OF THE GROUP

Unit: RMB million

Segment	For the six months ended 30 June 2021	Proportion	For the six months ended 30 June 2020 (Restated)	Proportion	Change over the same period of last year
Health	19,282.0	27.4%	16,240.6	25.7%	18.7%
Happiness	28,461.3	40.4%	27,026.1	42.7%	5.3%
Wealth	19,649.9	27.9%	19,312.1	30.5%	1.7%
Insurance	15,475.3	22.0%	14,162.5	22.4%	9.3%
Asset Management	4,174.6	5.9%	5,149.6	8.1%	(18.9%)
Intelligent Manufacturing	3,569.7	5.1%	1,181.2	1.9%	202.2%
Eliminations	(557.1)	(0.8%)	(490.8)	(0.8%)	(13.5%)
Total	70,405.8	100.0%	63,269.2	100.0%	11.3%

MANAGEMENT DISCUSSION & ANALYSIS

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT BY SEGMENT OF THE GROUP

Unit: RMB million

Segment	For the six months ended 30 June 2021	Proportion	For the six months ended 30 June 2020 (Restated)	Proportion	Change over the same period of last year
Health	1,214.8	29.9%	364.2	18.1%	233.6%
Happiness	(1,168.2)	(28.8%)	(454.2)	(22.6%)	(157.2%)
Wealth	2,410.5	59.3%	1,192.8	59.3%	102.1%
Insurance	1,415.3	34.8%	(1,966.5)	(97.7%)	172.0%
Asset Management	995.2	24.5%	3,159.3	157.0%	(68.5%)
Intelligent Manufacturing	1,629.1	40.1%	901.7	44.8%	80.7%
Eliminations	(24.0)	(0.5%)	7.6	0.4%	(415.8%)
Total	4,062.2	100.0%	2,012.1	100.0%	101.9%

ASSET ALLOCATION OF THE GROUP

Unit: RMB million

Segment	As at 30 June 2021	Proportion	As at 31 December 2020	Proportion	Change compared to the end of 2020
Health	105,180.9	13.5%	100,117.6	13.0%	5.1%
Happiness	184,870.0	23.7%	178,506.3	23.3%	3.6%
Wealth	455,454.3	58.5%	457,572.4	59.6%	(0.5%)
Insurance	212,087.5	27.2%	214,233.4	27.9%	(1.0%)
Asset Management	243,366.8	31.3%	243,339.0	31.7%	0.0%
Intelligent Manufacturing	43,491.8	5.6%	42,055.5	5.5%	3.4%
Eliminations	(10,140.9)	(1.3%)	(10,571.2)	(1.4%)	4.1%
Total	778,856.1	100%	767,680.6	100%	1.5%

MANAGEMENT DISCUSSION & ANALYSIS

CORPORATE STRUCTURE OF MAIN BUSINESS¹ (AS OF 30 JUNE 2021)

Health ²			Happiness ³		Wealth			Intelligent Manufacturing ⁴	
Pharmaceutical	Devices & Diagnosis	Healthcare Services & Products	Branded Consumer	Tourism & Leisure	Insurance	Asset Management (Investment)	Asset Management (Property)	Resources & Environment	Technology & Intelligent Manufacturing
Fosun Pharma 60196.SH 02196.HK 39.63%	Sisram Med (Israel) 01696.HK	Foshan Chancheng Hospital	Yuyuan 600655.SH 68.59%	FTG 01992.HK 80.79%	Fosun Insurance Portugal (Fidelidade) (Portugal) 84.9892%	H&A (Germany) 99.91%	28 Liberty (US) 100%	Nanjing Iron & Steel ¹¹ 600282.SH 58.71%	FFT ¹⁵ (Germany) 100%
Shanghai Henlius 02696.HK		Luz Saúde ⁵ (Portugal) 99.85%	Jinhui Liquor ¹⁰ 603919.SH 38%	Club Med (France)	Peak Reinsurance 86.51%	Guide (Brazil) 70.27%	BFC 50%	Besino Environment 96.43%	JM Digital Steel 834429.DC 72.92%
Gland Pharma (India)		Shanghai Zhuli ⁶ (Fosun Care) 90.91%	Shede Spirits ¹¹ 600702.SH 29.95%	Atlantis Sanya	Pramerica Fosun Life Insurance 50%	Fosun Hani Securities 100%	IDERA (Japan) 98%	Hainan Mining 601969.SH 51.57%	JEVE ¹⁶ 53.26%
Sinopharm 01099.HK		Sanyuan Foods ⁷ 600429.SH 20.45%	Wolves (UK) 100%	Thomas Cook Lifestyle Platform	AmeriTrust (US) 100%	Fosun Capital 100%	PAREF (France) 59.87%	ROC ¹⁴ (Australia) 100%	
		St Hubert ⁸ (France)	Baihe Jiayuan 69.16%		Yong'an P&C Insurance 40.68%	Fosun RZ Capital 100%			
		BabyTree ⁹ 01761.HK 29.50%	Bohe Health ¹² 31.34%			BCP (Portugal) 29.93%			
		Fosun United Health Insurance 20%	FFG 82.29%			Cainiao 3.83%			

Notes:

- This simplified corporate structure illustrates the key investments of the Group only. The equity percentage reflects the total direct shareholdings held by the Group, associates, joint ventures and funds managed by the Group as at 30 June 2021. The companies marked in the solid line boxes are consolidated investments of the Group, and the companies marked in the dotted-line boxes are non-consolidated investments of the Group. The companies marked in the shaded boxes are channels for C-end top priority of the Group.
- The companies marked in the light blue boxes are invested by Fosun Pharma. For specific information, please refer to the disclosure of Fosun Pharma. The company marked in the light brown box is invested by Sanyuan Foods. For specific information, please refer to the disclosure of Sanyuan Foods.
- The companies marked in the light yellow boxes are invested by Yuyuan. For specific information, please refer to the disclosure of Yuyuan. The companies marked in the light orange boxes are invested by FTG. For specific information, please refer to the disclosure of FTG.
- The companies marked in the light green boxes are invested by Nanjing Iron & Steel. For specific information, please refer to the disclosure of Nanjing Iron & Steel. The company marked in the light purple box is invested by Hainan Mining. For specific information, please refer to the disclosure of Hainan Mining.
- The Company and Fidelidade held 49% and 50.85% equity interest in Luz Saúde, respectively. Therefore, the Group held 92.22% effective equity interest in Luz Saúde.
- Shanghai Zhuli holds the "Fosun Care" brand. As at the end of the Reporting Period, the Group through its wholly-owned subsidiaries and a consolidated fund under its management held 87.35% and 3.55% equity interest, respectively, in Shanghai Zhuli. The Group held 39.99% effective equity interest in such fund. Therefore, the Group held 88.78% effective equity interest in Shanghai Zhuli.
- The Group through its wholly-owned subsidiary and a fund under management of the Group held 16.67% and 3.78% equity interest, respectively, in Sanyuan Foods. The Group held 37.30% effective equity interest in such fund. Therefore, the Group held 18.08% effective equity interest in Sanyuan Foods.
- St Hubert SAS was held 98.12% by an associate of the Group in which the Group held 51% equity interest.
- The Company and its wholly-owned subsidiary held 29.36% equity interest in BabyTree, and Fidelidade held 0.14% equity interest therein. Therefore, the effective equity interest held by the Group in BabyTree was 29.48%.
- Yuyuan held 38% equity interest in Jinhui Liquor; therefore, the Group held 26.06% effective equity interest in Jinhui Liquor.
- Yuyuan held 70% equity interest in Sichuan Tuopai Shede Group Co., Ltd., which held 29.95% equity interest in Shede Spirits. Therefore, the Group held 14.38% equity interest in Shede Spirits.
- As at the end of the Reporting Period, the Group through its two consolidated limited partnerships held 30.42% equity interest in Bohe Health, and Yuyuan through its wholly-owned subsidiary held 0.92% equity interest in Bohe Health. Therefore, the Group held 30.15% effective equity interest in Bohe Health.
- The Group held 58.71% equity interest in Nanjing Iron & Steel through Nanjing Nangang, a joint venture of the Group.
- The Group held 49% equity interest in ROC through a wholly-owned subsidiary and Hainan Mining held 51% equity interest in ROC. Therefore, the Group held 75.30% effective equity interest in ROC.
- FFT was 100% held by Shanghai Eason Technology Co., Ltd. (上海翌耀科技有限公司) (formerly known as Shanghai FFT Automation Technology Co., Ltd. 上海愛夫迪自動化科技有限公司), a subsidiary of the Group which was invested through the funds managed by the Group.
- The Group through its wholly-owned subsidiary and a consolidated fund under management of the Group held 21.73% and 2.82% equity interest, respectively, in JEVE. The Group held 22.14% effective equity interest in such fund. The non-consolidated fund managed by the Group held 28.71% equity interest in JEVE. Therefore, the Group held 22.35% effective equity interest in JEVE.



HEALTH

The revenue and profit attributable to owners of the parent in the Health segment during the Reporting Period were as follows:

Unit: RMB million

	For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)	Change over the same period of last year
Revenue	19,282.0	16,240.6	18.7%
Profit attributable to owners of the parent	1,214.8	364.2	233.6%

During the Reporting Period, the Health segment recorded revenue of RMB19,282.0 million, increasing by 18.7% year-on-year. The growth mainly benefited from the strong growth of Fosun Pharma's profit attributable to owners of the parent year-on-year, and the increase in the fair value of equity investment in the secondary market of the Health segment. During the Reporting Period, this segment recorded profit attributable to owners of the parent of RMB1,214.8 million, an increase of 233.6% year-on-year.

Fosun Pharma

Adhering to the business philosophy of "Innovation for Good Health", Fosun Pharma and its subsidiaries ("Fosun Pharma Group") are striving to become a first-tier enterprise in the global mainstream pharmaceutical and healthcare market. The predecessor of Fosun Pharma was founded in 1994 and was listed on the SSE four years later. In 2004, its predecessor officially changed its name to Shanghai Fosun Pharmaceutical

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(Group) Co., Ltd. In 2005, Fosun Pharma was among the first group of Chinese A-share listed companies included in the CSI 300 Index. In the same year, Fosun Pharma's research center was accredited as a national-level research center. In 2012, Fosun Pharma was listed on the Main Board of the Hong Kong Stock Exchange. As at the end of the Reporting Period, the Group held 39.63% equity interest in Fosun Pharma.

Under the guidance of the "4 IN" strategy (Innovation, Internationalization, Integration, Intelligentization), Fosun Pharma Group has always adhered to the development pattern of "internal organic growth, external expansion, and integrated development". Focusing on unmet medical needs, Fosun Pharma Group continuously strengthens its product competitiveness and brand strength and improves its innovation, integration, and internationalization capabilities to operate efficiently. Fosun Pharma Group's businesses span the full industry chain of pharmaceutical and healthcare businesses. With pharmaceutical manufacturing and R&D as its business core, Fosun Pharma Group focuses on medical devices and medical diagnosis, healthcare services, pharmaceutical distribution, and retail. During the Reporting Period, the operating income of Fosun Pharma Group amounted to RMB16,878 million, increased by 20.86% year-on-year.

Under pressure of national requirements on collective drug procurement, Fosun Pharma Group continued to optimize its product structure and developed a corresponding commercial team within the Reporting Period. The operating income of drug manufacturing amounted to RMB12,179 million, increased by 22.38% year-on-year. The increase was mainly attributable to: 1) the contribution from the launch and increasing sales quantities of new products: Han Li Kang (rituximab injection) achieved substantial sales growth, with cumulative revenue amounting to RMB724 million for the first half of the year, representing a year-on-year increase of 223.21%; Han Qu You (trastuzumab injection) and Su Ke Xin (avatrombopag maleate tablets), which were launched in the second half of 2020, recorded revenue of RMB325 million and RMB206 million in the first half of the year, respectively; 2) benefited from the contribution from Micafungin, enoxaparin sodium injection and new product launch, revenue of Gland Pharma during the Reporting Period increased by 32.08% year-on-year (note: based on the financial statements of Gland Pharma using its presentation currency); 3) Comirnaty® (mRNA COVID-19 vaccine), which was included in the government vaccination programs in Hong Kong and Macau in the first half of the year, recorded revenue of over RMB500 million during the Reporting Period; 4) the continuous optimization of the life cycle management of existing products and expansion of marketing channels. In particular, the sales revenue of Atomolan tablets (glutathione tablets) increased by 60.70% year-on-year. At the same time, Fosun Pharma Group took measures to develop an innovative drug commercialization team, an OTC, a new online retail team, as well as Africa, Europe and US commercialization

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teams to cover 2,000 Class III hospitals and 10,000 Class I and II hospitals.

Policies on accelerated evaluation of new drugs and other policies were introduced successively during the Reporting Period, and Fosun Pharma Group continued to increase its R&D investments and establish technical platforms for small-molecular innovative drugs, antibody drugs and cell therapy in the sectors of tumor and immunity regulation, four highs (high blood pressure, high blood fat, high blood sugar and high purine triene), central nervous system, etc. The total R&D investment amounted to RMB1,954 million, increased by 15.69% year-on-year. Of this amount, R&D expenses accounted for RMB1,562 million, increased by RMB358 million or 29.73% year-on-year. Its R&D investments finally paid off when in June, Yescarta® (Ejilunsai injection) of Fosun Kite, a joint venture of Fosun Pharma, became the first CAR-T cell therapy product approved for launch in China. Meanwhile, active measures were taken to promote the R&D and commercialization of the COVID-19 vaccine. The mRNA COVID-19 vaccine (Comirnaty®) was included in the government vaccination program in Hong Kong and Macau. Fosun Pharma has proposed to establish a joint venture with BioNTech in China to further implement the localized production of mRNA vaccine.

During the Reporting Period, Fosun Pharma Group developed the three core branches of plastic surgery, respiration health and professional medicine in the business categories of medical device and medical diagnosis, and its revenue amounted to RMB2,832 million, increased by 7.31% year-on-year. Driven by the robust growth in the North American and Chinese markets, Sisram Med recorded significant growth in business during the Reporting Period. While actively expanding its existing energy-based medical aesthetics equipment business, Sisram Med carried out business integration on strategic tracks such as aesthetic dentistry and injectables. Meanwhile, there was considerable growth in the number of "Da Vinci operating robots" that were installed and operated, with a total of 42 units installed.

Thanks to the recovery of offline medical services, the revenue of Fosun Pharma Group in medical and health services amounted to RMB1,843 million, increased by 35.61% year-on-year in the Reporting Period. Measures were also continued to expand the professional medical service network and promote internal integration and external expansion to develop a regional medical center, with a total of 4,732 verified beds. Meanwhile, Fosun Medical was upgraded to "Fosun Health" to provide "Internet + in-hospital + ex-hospital services" to patients. Products and solutions were expanded to cover the closed loop of "medical treatment, drug, insurance and health management", and one-stop health services and total-process closed-loop solutions were offered to users based on medical-level trust.

Shanghai Henlius

Shanghai Henlius is committed to affordable innovation and aims to "focus on product portfolio, manufacturing capacity and commercial operations to become the leader in biological medicine in China". Based on the patient needs and beginning with the end in mind, Shanghai Henlius spares no effort in developing a complete value chain covering R&D, production, and traditional commercialization, and increase the accessibility and affordability of biological medicines. During the Reporting Period, the company continued to promote the efficient development of the global commercialization of product pipeline and further implemented biopharmaceutical industrialization base layout with international standards and high cost-efficiency, while advancing clinical development and regulatory affairs. As at the end of the Reporting Period, the Group held 57.20% equity interest in Shanghai Henlius through its subsidiaries.

Shanghai Henlius has strong global product commercialization capability and has achieved steady growth in product sales. The company has an experienced commercialization team covering the five major segments of marketing promotion, channel management, pricing and market access, domestic sales, and strategic planning. The number of team members has increased to approximately 450, and the company is fully committed to expanding medical insurance procurement platforms and admission into hospitals, covering nearly 4,500 DTP pharmacies/hospitals. After the launch of 漢利康® (rituximab injection), China's first monoclonal antibody approved in 2019, two core products · 漢曲優® (trastuzumab injection, EU brand name: Zercepac®) and 漢達遠® (adalimumab), successively achieved commercial sales, and global sales cooperation has been reached with partners for 漢利康® and 漢曲優®. In addition, bevacizumab (VEGF) and serplulimab injection (PD-1) are expected to be commercialized in the near future. During the Reporting Period, Shanghai Henlius realized an operating revenue of RMB633.6 million, representing an increase of 474% compared to last year which includes sales revenue of approximately RMB222.2 million from 漢利康®, as well as approximately RMB287.6 million from 漢曲優® and approximately RMB8.5 million from 漢達遠®.

Shanghai Henlius further implemented biopharmaceutical industrialization base layout with international standards and high cost-efficiency. In order to meet the demand for commercialization of drug candidates, the company has formulated phased capacity planning for different product development cycles, gradually perfecting and upgrading the large-scale commercial production capacity based on a sound quality management system, while optimizing the deployment of production technology and production cost control in advance. During the Reporting Period, the commercial production capacity of Xuhui Facility has been 20,000 liters, and it has passed the dual GMP certification of China and EU

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and realized the normalization of dual-market supply. In order to improve the medium and long-term production capacity planning, the production capacity construction of 24,000 liters (including liquid fill line and lyophilized preparation line), and the verification of pilot workshop for the continuous production were completed for the Songjiang First Plant. In order to achieve long-term commercial production capacity demand, the Songjiang Second Plant Phase I project has a designed production capacity of 36,000 liters, and subsequent phases of construction will be gradually implemented in accordance with the company's strategy.

Shanghai Henlius continues to deploy differentiated innovative product pipelines to enhance global product development capabilities. Starting from clinical needs, the company accelerates the expansion of innovative potential targets, antibody-drug conjugates (ADC) products and optimizes the development platform of dual specific antibodies through independent R&D and introduction of external licenses; and relies on the company's rich experience in target development and integrated R&D platform to seek synergies between product pipelines. It has also gradually improved the innovative pipeline including serplulimab injection (PD-1), HLX208 (BRAF) and developed in an orderly manner around lung cancer, colorectal cancer and other indications. Meanwhile, the company has comprehensively built a global product development team and established a clinical operation and regulatory affair system; four clinical trials in progress, and multiple clinical trials approved for four products. During the Reporting Period, Shanghai Henlius recognized R&D expenditure of RMB739.3 million, representing a decrease of approximately RMB17.6 million compared with the same period in 2020.

Gland Pharma

Established in 1978, Gland Pharma is one of the largest and fastest growing, generic injectable-focused companies in India. In 2003, its flagship sterile injection plant in Hyderabad, India, with multiple delivery formats and capabilities, received its first approval from the U.S. Food and Drug Administration (FDA). Gland Pharma introduced Heparin Sodium Injection, its flagship product, into the U.S. market in 2010. Gland Pharma has a consistent compliance record. All of its manufacturing facilities are FDA-approved, and some have also received regulatory approvals from other major countries around the world, including MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV (Germany). Gland Pharma's main products include: cardiac (Enoxaparin Sodium), hematological (Heparin Sodium), anti-infective (Vancomycin, Caspofungin, Daptomycin, Micafungin), neurocentral (Dexmedetomidine, Remdesivir), pain (Rocuronium Bromide), and other injections.

Fosun Pharma Group, acquired approximately 74% equity interest in Gland Pharma in October 2017. In November 2020,

Gland Pharma was successfully listed in India with the largest IPO of INR64.795 billion in the Indian healthcare industry for that year. As at the end of the Reporting Period, Fosun Pharma Group held 58.14% equity interest in Gland Pharma.

Over the years, Gland Pharma has grown from a contract manufacturer of small volume liquid parenteral products to one of the largest and fastest growing generic injectable-focused companies with a global footprint across over 60 countries. Gland Pharma operates primarily under a B2B model and has an excellent track record in the development, manufacturing and marketing of complex injectables. Its unique and significant advantages in the entire pharmaceutical value chain have helped the company achieve exponential growth.

When the COVID-19 pandemic wreaked havoc in India, Gland Pharma faced many challenges: infection prevention and control, lockdowns and curfews, raw material shortages, and traffic shutdowns. It took many steps to combat the pandemic, protect the health and safety of employees, and ensure continued production. For example, a multi-departmental COVID-19 working group was set up to actively promote employee health and safety through posters, videos, SMS and other media. Eventually, Gland Pharma was able to resolve the challenges one by one, successfully overcoming the difficulties and quickly resuming production.

Gland Pharma continued to strengthen its international manufacturing capabilities: seven manufacturing sites were GMP audited/certified in the US, EU, Japan, Australia, and Brazil. During the Reporting Period, Gland Pharma adhered to the international R&D strategy, a number of generic drugs were approved for launch, and the pace of product introduction into the Chinese market was accelerated. During the Reporting Period, Gland Pharma's revenue was RMB1,803 million, an increase of 32.08% year-on-year. (Note: Based on Gland Pharma's local currency financial statements)

Going forward, Gland Pharma will continue to invest in R&D and strengthen vertical integration and expand API production capacity to reduce dependence on APIs. Gland Pharma will manufacture up to 252 million doses of Sputnik V vaccines pursuant to the agreement signed with the Russian Direct Investment Fund (RDIF). Meanwhile, Gland Pharma will expand exogenous growth through mergers and acquisitions, focusing on complex technology and product platforms (e.g. long-acting/suspension products), complex API raw material production technologies (e.g. fermentation technology), etc.

Sisram Med

Sisram Med is a leading global provider of energy-based medical aesthetic treatment systems, with comprehensive in-house capability to design, develop and produce such systems, which feature its innovative and proprietary

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technologies. Its brands, including “Alma”, “Soprano”, “Harmony”, “ClearLift”, “Accent”, “FemiLift” and “BeautiFill”, are widely recognized and well regarded among both providers and recipients of treatments worldwide. Sisram Med also sells its treatment systems via distributors and direct sales customers in over 90 countries and jurisdictions worldwide. As at the end of the Reporting Period, the Group held 74.76% equity interest in Sisram Med.

During the Reporting Period, Sisram Med’s total revenue was USD125.3 million, an increase of 74.7% compared to the same period in 2020. This growth is mainly attributable to Sisram Med’s (i) global presence in more than 90 countries and regions, which helps to maintain its sensitivity and flexibility in a dynamic and changing market; (ii) strong growth in two key markets: North America and China; (iii) flexible management strategy and aggressive talent policy that kept its team on track during the pandemic; (iv) multi-dimensional product lines and channels that it used to expand and synergize in the global medical aesthetic market; and (v) strong R&D capabilities that supported the continued launch of new technologies and products.

During the Reporting Period, Sisram Med launched new products, Alma Duo and Alma PrimeX and further expanded its global direct sales market. During the Reporting Period, while actively expanding its existing energy-based medical aesthetics equipment business, Sisram Med carried out business integration on strategic tracks such as aesthetic dentistry and injectables. In July 2021, Sisram Med completed the merger of the assets of Shanghai Foshion Medical System Co., Ltd, aiming to create a brand new digital dental brand by leveraging its existing global channel and resource advantages. In the same month, Sisram Med entered into a sublicensing agreement with a subsidiary of Fosun Pharma for the aesthetic indications of RT002 in Greater China, to further enrich its injectables business pipeline and to collect strategic products for future expansion into the C-end market.

Fosun Care (Shanghai Zhuli)

Fosun Care is a brand covering multi-level health and elderly care services formed by the Group around the vision of “making every family healthier” and promoting innovation and service upgrading in the healthcare industry. It is dedicated to providing full lifecycle healthcare services and products to customers in the retired middle-class families in China. Shanghai Zhuli, established in 2014, holds the brand “Fosun Care” and carries out its main business through several investees, such as Shanghai Starcastle Senior Living

Investment Management Co., Ltd., Shanghai Feng-Lin Health Management Co., Ltd., and Shanghai Xingshuangjian Medical Investment Management Co., Ltd. As at the end of the Reporting Period, the Group held 90.91% equity interest in Shanghai Zhuli.

Fosun Care comprises three major brands: (1) Fosun Starcastle Senior Living, which focuses on high-quality one-stop institutional elderly care; (2) Feng-Lin, which focuses on community health and in-home care; and (3) Xingjian, which focuses on integrated medical care, rehabilitation and nursing care. Fosun Care takes the traditional elderly care business as the cornerstone, upgrades the rehabilitation care business, extends family health services, and at the same time integrates the Fosun ecosystem by creating a member platform to provide a lifestyle of enjoyment and forming an ecological closed loop, and empowers technological innovation through the combination of smart systems + smart terminal, to provide all-age, all-round continuous family health services. As at the end of the Reporting Period, Fosun Care held over 11,000 beds, and total managed area of 530,000 square meters, and the occupancy rate of mature projects reached 97%.

In early 2021, Fosun Care closed its first round of private equity financing, with financing amounting to RMB200 million, which provided strong support for the expansion of the company’s business. In 2021, Fosun Care will focus on expanding new projects around 6+3 cities (6 provincial capitals plus Beijing, Shanghai, and Shenzhen) to further accelerate its nationwide deployment. In terms of operations, it will continue to improve its productivity in terms of safety, quality, and efficiency through lean management, discipline construction and cultural focus to create the ultimate health and wellness products. At the same time, centering on the mission of “providing full lifecycle healthcare services and products to customers in the retired middle-class families”, it will expand its target audience to provide online and offline health management and cultural and entertainment services and products for the healthy and energetic “newly retired group”.

Fosun United Health Insurance

Fosun United Health Insurance was established in January 2017 with a registered capital of RMB500 million. Fosun United Health Insurance, as a professional health insurance company, was sponsored by the Group together with 5 other companies. As at the end of the Reporting Period, the Group held 20% equity interest in Fosun United Health Insurance. Fosun United Health Insurance is committed to meeting the health and security needs of Chinese consumers and creating quality

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commercial health insurance products and services. The company aims to provide more diversified and personalized insurance and health services for family customers, integrate the industrial resources of shareholders in insurance, health and other fields to form synergy, fully provide innovative and excellent health insurance products, actively help customers with health management and provide customers with a healthier lifestyle.

Fosun United Health Insurance actively operates in various medical insurance, illness insurance, disability income insurance, nursing insurance and accidental insurance businesses in the Chinese market, providing Chinese families with high-quality whole life cycle products and whole process service system. As at the end of the Reporting Period, hundreds of products have been launched successively, including 25 renewed products in the first half of the year. Long-term critical illness insurance series products and managed healthcare insurance have been highly praised by the market and customers, and the premium income has continued to increase.

As at the end of the Reporting Period, Fosun United health insurance has expanded its business area to Guangdong Province, Beijing, Shanghai, Sichuan Province, Jiangsu Province and Chongqing. The company continues to operate steadily, adheres to value development, and speeds up the iterative evolution of serious illness insurance and medical insurance. As at the end of the Reporting Period, the insurance business income was RMB1,787.7 million, with a year-on-year increase of 65%, of which the health insurance business income was RMB1,664.0 million, with a year-on-year increase of 64%, accounting for 93% of the total insurance business income; the income from accident insurance business was RMB123.7 million, a year-on-year increase of 73.7%, accounting for 7% of the total insurance business income. As at the end of the Reporting Period, the total assets have increased to RMB4,480.4 million; net assets increased to RMB980.7 million.

Looking forward, Fosun United Health Insurance will leverage the Group's high-quality health industry, open up large health resources, create ecological products, and provide one-stop insurance guarantee and health services for healthy people, sub-healthy people and people with diseases.



HAPPINESS

During the Reporting Period, the revenue and loss attributable to owners of the parent of the Happiness segment were as follows:

Unit: RMB million

	For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)	Change over the same period of last year
Revenue	28,461.3	27,026.1	5.3%
Loss attributable to owners of the parent	(1,168.2)	(454.2)	(157.2%)

During the Reporting Period, revenue of the Happiness segment was approximately RMB28,461.3 million, a year-on-year growth of 5.3%. The growth mainly benefited from the robust revenue growth of Yuyuan due to the strong recovery of its jewelry fashion business, which was partially offset by the revenue decrease of FTG's resort operation business. The loss attributable to owners of the parent in the Happiness segment was RMB1,168.2 million, an increased loss of 157.2% over the same period in 2020, mainly due to the year-on-year increase in the loss of FTG.

Yuyuan

Relying on the urban cultural and commercial strength in Shanghai, Yuyuan, with the mission of creating a happy life for families worldwide, is determined to become the world's first-class group in the family entertainment and consumption industry with roots in China, leading the trend of Chinese

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cultural revival. Yuyuan was formerly known as Shanghai Yuyuan Shopping Mall and was transformed into Shanghai Yuyuan Shopping Mall Co., Ltd. in June 1987. Shanghai Yuyuan Tourist Mart Co., Ltd. was established in May 1992 and its shares were listed on the SSE in September of the same year. In November 2002, the Group became the largest shareholder of Yuyuan. As at the end of the Reporting Period, the Group held approximately 68.59% equity interest in Yuyuan.

Yuyuan upholds the two-pronged strategy of "Industry Operations + Industrial Investment", adheres to the concept of happiness and fashion, and continues to develop the "1 + 1 + 1" strategy of "family happiness consumption industry + urban industry landmarks + online and offline membership platforms", gradually forming the industrial cluster with unique competitive advantages targeting emerging mainstream consumers. The businesses of Yuyuan mainly comprise of several sectors such as culture-commerce projects and smart retail, jewelry and fashion, cultural catering, food and beverage, Chinese fashion watches, beauty and health, and real estates with composite functions.

During the Reporting Period, Yuyuan achieved operating revenue of RMB22.724 billion, an increase of 12.68% year-on-year; net profit attributable to shareholders of the listed company of RMB1.409 billion, an increase of 31.10% year-on-year. The growth of Yuyuan was mainly due to the rapid growth of the consumer sector.

The Yuyuan jewelry and fashion business achieved revenue of RMB15.287 billion, an increase of 47.2% year-on-year, and the proportion of revenue increased to 67.3%. The jewelry and fashion network expanded significantly, with an increase of 285 stores to 3,664 stores and further optimization of the product structure. The sales of "Guyunjin" series products with high margins relying on ancient craftsmanship reached over RMB1.6 billion during the Reporting Period. Since the outbreak of the coronavirus in 2020, Yuyuan has increased its online sales of jewelry and fashion with a sales growth of 52% during the Reporting Period. New brand of lab-grown diamonds "Lusant" has been launched to break the traditional diamond limitations. Yuyuan fully leveraged the advantages of its time-honored brand resources and further implemented the chain development strategy of Songhelou Suzhou-style noodle shops, increasing the number of stores to 32 as at the end of the Reporting Period. In addition, during the Reporting Period, Fosun Cosmetics Innovation Center under Yuyuan Beauty and Health Group successfully launched the "WEI Lotus Series". During the Reporting Period, the multi-functional real estate business developed steadily. The restructuring and renovation of Yuyuan Phase I continued to progress, and the planning and design of Yuyuan Phase II and III has also been launched. In the future, the first and second phases will be linked to further enhance the influence and core property value of Shanghai

Yuyuan Mall as an urban cultural landmark of Shanghai. At the same time, Yuyuan actively utilized the Group's rich local resources to expand the offline aspects of its main business. In the first half of the year, it acquired new land for premium projects in Chancheng, Foshan, Wuzhong, Suzhou, and Xuhui, Shanghai. In the future, Yuyuan will work together with its sister companies in other sectors to develop multi-functional compound real estate businesses that integrate healthcare, consumer retail and residential properties.

Looking forward, Yuyuan will continue to drive its business with its two drivers of "Industry Operations + Industrial Investment" to build a global first-class family happiness consumer industry group. In the jewelry and fashion business, Yuyuan will continue to launch good products under its "Laomiao" and "Yayi" brands and will further expand its store networks while improving the quality of channels. In the cultural catering business, Yuyuan will actively promote the development of restaurant chains and its long-established brands, such as Songhelou Noodle Restaurant, and will continue to expand new stores. The advantages of its long-established brands in the food and beverage business and beauty and health business will be leveraged to launch more high-quality products. At the same time, Yuyuan will further enhance its competitive advantage and enrich its happiness and fashion industry through industrial investment. For real estates with composite functions, the development and implementation of benchmark projects will be accelerated to truly create offline happiness and fashion landmarks.

Jinhui Liquor

Jinhui Liquor is principally engaged in the manufacture and sales of liquor and spirits. The company is located in Longnan, Gansu province, which is known as the "areas south of the Yangtze River in Gansu". With the corporate mission of "brewing ecological liquor and spirits and transmitting positive energy", the company insists on being customer-centric, implementing the two-pronged strategy of "deep distribution + key client operation" with C-end top priority. The company strives to realize the strategic goal of "building a large-scale production base of liquor and spirits in China and shaping a well-known brand that ranks among the top 10 Chinese brands of liquor and spirits" by way of "expanding across the nation, significant market penetration in the home market of the northwest, and focusing on innovative breakthroughs".

Yuyuan completed the acquisition of 29.99998% equity interest in Jinhui Liquor in August 2020 and further completed the takeover offer for 8% equity interest in Jinhui Liquor in October 2020. As at the end of the Reporting Period, Yuyuan held 38% equity interest in Jinhui Liquor.

During the Reporting Period, Jinhui Liquor recorded a revenue of RMB971.87 million, representing an increase of 36.59%

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year-on-year, with the net profit attributable to shareholders of the listed company of RMB187.39 million, representing an increase of 55.89% year-on-year. During the Reporting Period, the company's business operation continued to strive steadily, mainly due to the following reasons: first, with the solid implementation of the two-pronged strategy of "deep distribution + key client operation"; second, the company continued to optimize its product portfolio, and the high-end products, represented by "Jinhui 28" and "Jinhui 18" with a selling price above RMB100, recorded a revenue of RMB578 million, represented a growth of 48.72% year-on-year, with the proportion in the business revenue increasing to 60.27%.

Since 2021, the liquor and spirits industry has showed a trend of stable and positive development. With the upcoming Mid-Autumn Festival, the National Day Holiday and the Lunar New Year Festival, the liquor and spirits industry will gradually enter into a traditional peak season. Jinhui Liquor will continue to execute on the implementation of its five-year development strategic plan. With the overall coverage of price range, channels and high occupancy, Jinhui Liquor will consolidate and enhance the status of Gansu's base camp. With the strategy of "deep distribution + key client operation" in the northwest market, Jinhui Liquor will increase the market share by way of story-telling of its quality brand. Jinhui Liquor will penetrate the market by way of its new key products in the national market and will cultivate core customers with concentrated sources to create a model market. Jinhui Liquor will push for quality elevation, optimize the product portfolio and enrich product category in order to catch the opportunity of structured development in the liquor and spirits market.

Shede Spirits

Shede Spirits is one of Chinese 17 most famous liquor and spirits and one of the six "golden flowers" of Sichuan liquor and spirits. The company's mission is to "share the wisdom of Shede Spirits with the world", and its development prospect is to "make Shede Spirits an aesthetic brand for life". Shede Spirits is principally engaged in the design, manufacture and sales of liquor and spirits products. The company persists in implementing the "dual-brand strategy", "classic liquor strategy", "youthfulness strategy" and "internationalization strategy". Following the strategies of "focusing on Sichuan, Hebei, Shandong and Henan, promoting the northeast and northwest markets, and breaking through the east and south markets", while focusing on the core regions, the company accelerates the national layout of the brands, continues to enhance the operational capacity of C-end users, and continues to cultivate and influence the young consumers. The company empowers the brands with cultural creation, increases sales volume with digitalized precise traffic sources, enhances users' stickiness with systematic operation on the fan base, forms effective synergies and mutual empowerment between

offline and online activities, actively expands into duty-free shops and the international market, and strives to achieve the strategic goal of "becoming a benchmark enterprise with the most cultural characteristics in ecological brewing business and building the No. 1 brand in the classic liquor and spirits category".

In January 2021, Yuyuan acquired 70% equity interest in Sichuan Tuopai Shede Group Co., Ltd.* (四川沱牌舍得集團有限公司), the controlling shareholder of Shede Spirits, by way of participating in a judicial auction and execution of a judicial ruling, pursuant to which, Yuyuan indirectly holds 100,695,768 shares of Shede Spirits (representing 29.95% of the total share capital of Shede Spirits) and becomes an indirect shareholder of Shede Spirits.

During the Reporting Period, with the pandemic in China gradually under control, the economy continued to recover steadily. The economic development showed a trend of stability and improving, which led to a significant rebound in the mid-to-high-end liquor and spirits consumption market. At the same time, with Fosun's shareholding in Shede Spirits and continuously empowering the company with strategic development and ecological resources, the classic liquor strategy of Shede Spirits was gradually accepted by the market. Shede Spirits persists in the classic liquor strategy and market focusing strategy, enhances the advertisement of brand culture of Shede Spirits and accelerates its market expansion. Thanks to the above factors, during the Reporting Period, the company achieved a considerable increase in revenue, and its results were significantly improved compared to the same period of last year. During the Reporting Period, Shede Spirits recorded a revenue of RMB2,391.22 million, representing a year-on-year increase of 133.09%, and a net profit attributable to shareholders of the listed company of RMB735.48 million, representing a year-on-year increase of 347.94%, among which, the sales revenue of liquor and spirits of Shede Spirits reached RMB2,193.77 million, representing a year-on-year increase of 158.63%. In terms of liquor and spirits category, the sales revenue of the mid-end and high-end products amounted to RMB1,877.27 million, representing a year-on-year increase of 149.01%; while the sales revenue of the low-end products amounted to RMB316.50 million, representing a year-on-year increase of 235.52%. The products of different grades both have achieved a substantial growth.

Looking forward to the second half of 2021, the company will adhere to ecological brewing strategy and continuously improve and optimize the product quality; the company will adhere to the promotion of the classic liquor strategy and continuously improve and consolidate advantage of Shede Spirits in the classic liquor and spirits market; the company will continuously enhance its brand construction, further improve

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the cultural influence of Shede Spirits through the construction of its own intellectual property (IP) and empower its sales; the company will concentrate resources on building markets in key cities and core product items and actively expand new channels and new regions at the same time; the company will strengthen supply chain management, continuously optimize the synergy of manufacture, supply and sales, enhance product delivery capabilities and improve levels of customer service. By way of the above measures, Shede Spirits will maintain its reputation of sustainability, rapidity and high quality development in the future.

FTG

FTG is one of the world's leading leisure-focused integrated tourism groups, and the worldwide largest leisure tourism resorts group, in terms of revenue in 2019, according to Frost & Sullivan's report. In 2015, the Group acquired control of Club Med and subsequently transferred it to FTG upon reorganization. FTG was officially established in 2016, and was spun off from the Group and successfully listed on the Main Board of the Hong Kong Stock Exchange in December 2018. As at the end of the Reporting Period, the Group held approximately 80.79% equity interest in FTG.

Through its lifestyle proposition, "Everyday is FOLIDAY", FTG seeks to infuse concepts of tourism and leisure into everyday living. The principal activities of FTG are: (i) resorts, which FTG operates through Club Med, Club Med Joyview, Casa Cook and Cook's Club, etc.; (ii) tourism destinations, including Atlantis Sanya, FOLIDAY Town, and Albion, etc.; and (iii) services and solutions in various tourism and leisure settings. During the Reporting Period, total revenue of FTG amounted to RMB2,781.5 million, representing a year-on-year decrease of 38.6% and the loss attributable to equity holders of the company amounted to RMB2,004.8 million, while the loss attributable to equity holders of the company was RMB898.7 million for the same period of last year. The group maintains a stable financial position. As of 30 June 2021, the cash and bank balances was approximately RMB5,157 million, the unused banking facilities amounted to approximately RMB4,367.4 million and the borrowings repayable within one year amounted to approximately RMB2,282.2 million.

Club Med, headquartered in France and founded in 1950, is a world-renowned family centric all-inclusive leisure and vacation service provider. As at the end of the Reporting Period, FTG has sales and marketing operations in more than 40 countries and regions across six continents, and operates 63 resorts. Since January 2021, due to the continued spread of pandemic in Club Med's major customer sourcing markets and destinations (except Chinese Mainland) (the "Affected Areas"), and the resulting stringent pandemic prevention measures implemented by governments of various countries, all mountain resorts of Club Med in the Alps (except Saint Moritz resort in Switzerland) were not in operation for the 2021 snow season (the period from January to April 2021) and outbound travel from major customer sourcing markets were suspended. These measures had significant negative impacts on the operation of the resorts. Since mid-May 2021, as the outbreak in the affected areas was effectively controlled due to the advancement of Novel Coronavirus vaccination, the group has been striving to promote the resumption of resort operations in the affected areas. As of 30 June 2021, 39 resorts have resumed in operation, and as of June 2021, Club Med's capacity has increased by 352.5% of that of June 2020 and resumed to 58.4% of that of June 2019. In the first half of 2021, in Chinese Mainland with the pandemic under steady control, benefiting from its outstanding brand and product strength, FTG's resorts recorded significant growth. The business volume⁴ of Club Med resorts in China recorded an increase of 171.9% in the first half year of 2021 compared to the same period of 2020.

In early 2021, Club Med laid out a plan to open 16 new resorts by the end of 2023 of which eight resorts are in China. This plan was implemented on schedule in the first half of 2021. The new Exclusive Collection Seychelles resort opened in March 2021. Club Med Lijiang resort in Lijiang FOLIDAY Town and Quebec Charlevoix resort and Changbaishan resort will open in the upcoming autumn and winter, respectively. In the upcoming three years, 12 existing resorts worldwide are planned to complete renovation and expansion.

⁴ Business Volume represents the aggregate sales of our resort service, tourism destination operation and other tourism-related services and solutions, regardless of whether the resort is owned, leased or managed.

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Atlantis Sanya, located on the Haitang Bay National Coast of Sanya in Hainan province, China, opened in April 2018. During the Reporting Period, the number of visitors to Atlantis Sanya amounted to approximately 2.6 million, and the business volume of Atlantis Sanya amounted to RMB835.2 million, increased by 152.1% year-on-year, of which room revenue increased by 152.0% and other operating income increased by 152.1%. The average daily rate by room increased by 43.0% and the occupancy rate increased by 34.8 percentage points to 79.9%.

In November 2019, FTG launched the “FOLIDAY Town” (復遊城) brand, the key self-developed brand for the tourism destination business. The vision of FOLIDAY Town is to connect various leading global tourism and leisure brands to lead a new global vacation lifestyle by leveraging the global FOLIDAY ecosystem and the successful operation experience in Club Med and Atlantis Sanya. Among them, Lijiang FOLIDAY Town covers land parcels of approximately 695,000 square meters in Baisha town in Lijiang city, Yunnan province, and Club Med Lijiang resort is expected to open in this autumn. Taicang FOLIDAY Town covers land parcels of approximately 483,000 square meters in Taicang city, Jiangsu province, the construction of which is expected to be completed in stages starting from 2021 and achieve full completion in the following three to four years.

In November 2019, FTG acquired Thomas Cook’s right, title and interest in trademark, domain names, software applications, social media accounts and licenses relating to the Thomas Cook brand across most international markets upon its liquidation. With a history of 180 years, the Thomas Cook brand is the frontrunner of establishing tourism industry and one of the most well-known tourism brands around the world. In July 2020, FTG launched “Thomas Cook Lifestyle Platform”, a content driven open platform focusing leisure lifestyle products. As at the end of the Reporting Period, the application had approximately 1.5 million downloads. In the first half of 2021, the platform achieved a business volume of approximately RMB161.4 million. On 16 September 2020, the brand-new Thomas Cook online travel agent was soft launched in UK. In the first half of 2021, Thomas Cook UK recorded a business volume of approximately RMB113.4 million. As of 30 June 2021, Foryou Club had approximately 6.6 million members.



WEALTH

The Group’s Wealth segment includes two major sectors: Insurance and Asset Management.

INSURANCE

During the Reporting Period, the revenue and profit/(loss) attributable to owners of the parent of the Insurance sector were as follows:

Unit: RMB million

	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change over the same period of last year
Revenue	15,475.3	14,162.5	9.3%
Profit/(loss) attributable to owners of the parent	1,415.3	(1,966.5)	172.0%

During the Reporting Period, the revenue of the Insurance sector increased by 9.3% year-on-year, mainly due to the business growth of Fosun Insurance Portugal and Peak Reinsurance. During the Reporting Period, the profit attributable to owners of the parent in the Insurance sector was RMB1,415.3 million, which significantly turned from loss to profit compared with the same period in 2020, thanks to the stable and healthy development of core enterprises and the optimization of investment portfolio.

Note: Financial data of individual insurance portfolio companies presented in this section are based on local general accounting standards applicable to respective regulatory territories, and all quoted numbers are unaudited management information.

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Fosun Insurance Portugal

In 2014, the Group acquired Fidelidade, Multicare and Fidelidade Assistência. As at the end of the Reporting Period, the Group held 84.9892% equity interest in Fidelidade. This platform is a leading player in the Portuguese insurance market and facilitates business development of the Group in Europe, Africa and Latin American countries.

Fosun Insurance Portugal is a global operator in the Portuguese insurance market, selling products in all key lines of business and benefiting from the largest and most diversified insurance sales network in Portugal, including exclusive and multi-brand agents, brokers, own branches, internet and telephone channels and a strong distribution system with the post offices and Caixa Geral de Depósitos S.A., a leading Portuguese bank. It also has an international presence in eleven countries, with products distributed in four continents (Europe, Asia, Africa and America).

During the Reporting Period, Fosun Insurance Portugal achieved a total market share in Portugal of 29.3%, being the market leader. In life and non-life business, Fosun Insurance Portugal achieved market shares of 29.8% and 28.7%, respectively.

Fosun Insurance Portugal had a good performance despite the economy partial lockdown during the Reporting Period, recording a relevant growth both in total premium and net earned premium. In life financial, the premiums achieved EUR997 million, a year-on-year growth over 200% with support of new attractive products without guaranteed rates, and leveraging the good performance of commercial networks, which allowed to offset the negative impacts of overall economic uncertainties.

During the Reporting Period, Fosun Insurance Portugal recorded a total premium, including investment contracts, of EUR2,331.9 million (first half of 2020: EUR1,548.5 million), non-life business combined ratio of 91.5% (first half of 2020: 89.1%), net earned premiums of EUR1,075.1 million (first half of 2020: EUR1,002.3 million), net profit attributable to owners of the parent of EUR102.1 million (first half of 2020: EUR47.4 million), net assets attributable to owners of the parent of EUR2,778.8 million (first half of 2020: EUR2,528.2 million), investable assets of EUR17,092 million (first half of 2020: EUR17,149 million) and a total investment return of 1.7% (not annualized) (first half of 2020: 0.9% (not annualized)).

Following the acquisition of 51% equity interest in La Positiva Group in early 2019, Fosun Insurance Portugal's Peruvian operation has reached the third position in the local insurance market with a market share of 13.1% as of May 2021 (13.2% in 2020). In January 2020, FID Chile, Fosun Insurance Portugal's

non-life insurance subsidiary in Chile, initiated its operations and achieved EUR31 million of the premium income during the Reporting Period.

During the Reporting Period, Fosun Insurance Portugal's international business (overseas markets except Portugal) recorded overall premiums of EUR457 million, representing 19.6% of the total premiums of Fosun Insurance Portugal.

Recently, Fosun Insurance Portugal won several distinguished awards, such as "Marcas Mais Reputadas 2021 (Most Reputable Brands in 2021)" by the Marktest Reputation Index 2021, "Marca de Confiança 2021 (Trusted Brand in 2021)" by Reader's Digest, and "Escolha Do Consumidor 2021 (Choice of Consumer in 2021)" in categories of "Insurance Companies" and "Health Systems", as well as the distinction of "Escolha do Consumidor Excellentia 2021". Fosun Insurance Portugal will continue innovating its product offerings, improving service quality and promoting its global strategy.

Peak Reinsurance

Peak Reinsurance is a Hong Kong-based global reinsurer jointly established by the Group and International Finance Corporation in 2012. In April 2018, a wholly-owned subsidiary of U.S.-headquartered Prudential Financial, Inc. completed the acquisition of a minority stake in Peak Reinsurance Holdings Limited ("**Peak Reinsurance Holdings**"). As at the end of the Reporting Period, the Group held 86.51% equity interest in Peak Reinsurance through Peak Reinsurance Holdings.

Authorized by the Insurance Authority of Hong Kong under the Insurance Ordinance (Cap. 41), Peak Reinsurance has grown from a local player over the years from a local player into a global reinsurer that offers a wide suite of products and services encompassing both property & casualty (P&C) and life & health (L&H) reinsurance. It strives to provide clients around the globe with innovative and tailored reinsurance, risk management and capital management solutions.

Since its establishment, Peak Reinsurance has maintained eight consecutive years of growth in premium income. Below are highlights of Peak Reinsurance's financial results during the Reporting Period.

During the Reporting Period, Peak Reinsurance reported the gross written premium of USD773.7 million (first half of 2020: USD855.9 million) and net earned premium of USD778.2 million (first half of 2020: USD637.4 million). During the Reporting Period, underwriting margin improved to 13.0% from 10.8% in the same period of last year, due to portfolio adjustments and continued rate hardening in major markets. Additionally, efforts to rebalance the portfolio towards non-proportional business have helped to ensure price stability alongside further business development.

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Peak Reinsurance has maintained a six-year track record of over 90% of claims settled within five days. Efficient claims settlement and a client-centric business approach both played a pivotal role in the success of Peak Reinsurance.

Supported by improving macro-economic fundamentals, as at the end of the Reporting Period, Peak Reinsurance achieved an investment return of 1.6% (not annualized) with investable assets and net assets of USD2.8 billion and USD1.5 billion, respectively. Peak Reinsurance remains solid capitalization and strong solvency, as reflected both in its awarded credit ratings and a solvency ratio of 474% as at the end of the Reporting Period.

In 2016, Peak Reinsurance has completed its strategic investment of a 50% stake in Caribbean insurance group NAGICO Holdings Limited ("**NAGICO**"). In June 2021, Peak Reinsurance has reached a definitive share purchase agreement to acquire the remaining 50% stake of NAGICO. The transaction is subject to the receipt of required regulatory approvals and other customary closing conditions being satisfied. The acquisition aligns with Peak Reinsurance's development strategy to diversify its portfolio globally, and to support the insurance needs and close the protection gaps of developing communities.

In February 2021, Peak Reinsurance completed its third reinsurance sidecar transaction via its Bermuda-domiciled special purpose insurer, Lion Rock Re Ltd., to successfully raise USD107 million in a challenging sidecar market. Peak Reinsurance has been building up its insurance-linked securities (ILS) capabilities since the launch of the first sidecar in 2018 which has become an integral part of its strategy. Peak Reinsurance will continue to provide innovative options for investors and bring more capacity to narrow the protection gap in the emerging middle-class society in Asia and across the globe.

Peak Reinsurance's outstanding achievement has been widely recognized in the industry with strong credit ratings from Moody's Investor Service (IFSR A3 – stable) and A.M. Best (A-stable), reflecting Peak Reinsurance's good brand recognition in the Asian reinsurance market, increasingly diversified product and geographic mix, and solid capitalization relative to risk underwritten. Peak Reinsurance ranks the 29th among global reinsurance groups by S&P Global Ratings in terms of net reinsurance premiums written.

Pandemics have always been one of Peak Reinsurance's risk planning scenarios. Despite COVID-19 and the disruption it has caused are unique, Peak Reinsurance's focus on resilience and agility ensures that there are proper measures and mitigations in place to manage impacts of external factors.

Peak Reinsurance's robust risk management framework and the effectiveness of its business continuity planning proved key to the successful response to the onset and ongoing impacts of the global pandemic.

Pramerica Fosun Life Insurance

Pramerica Fosun Life Insurance is a joint venture between the Group and The Prudential Insurance Company of America. With the approval of the regulatory authority, it was formally established in September 2012 and both shareholders held 50% of the joint venture shares as at the end of the Reporting Period. The establishment of Pramerica Fosun Life Insurance marked the Group's first entry into the domestic life insurance market.

With "Guardian of your uniquely defined future" as its mission, Pramerica Fosun Life Insurance adheres to the principle of "Long-term Value Operation", and thus forms a four-pronged path of "Focusing on the Agent Team Building, Focusing on the Regular-Premium Business, Focusing on the Technology and Focusing on Ecosystem".

Pramerica Fosun Life Insurance offers life insurance, health insurance, accident insurance, and reinsurance business of the abovementioned businesses to customers.

During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB1,575.7 million, representing a slight increase of 0.39% year-on-year, mainly due to the fact that the company insisted on following its "Focusing on Regular-premium Business" strategy, actively reduced its single-premium bancassurance business, and restricted sales of products with low value. Pramerica Fosun Life Insurance recorded net loss of RMB31.30 million and annualized total investment return of 6.11%.

In terms of the team building, Pramerica Fosun Life Insurance is dedicated to building a team of elite tied agencies with high income, high productivity and high retention by way of the system of "Optimizing direction, Optimizing increase and Optimizing customers". During the Reporting Period, 57% of agents remained active on average with each agent achieving an average of three new policies and new scale premium of RMB32,000. These indicators retained upfront among the industry.

Pramerica Fosun Life Insurance is empowered by the ecosystem and technology to build a moat for the company. In terms of ecosystem, Pramerica Fosun Life Insurance has continued to enrich the four ecosystems of "Health, Elderly-care, Wealth, Happiness" with the C-end Top Priority strategy. During the Reporting Period, Pramerica Fosun Life Insurance accumulated 4,700 high-quality customers, achieved

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94 orders for Starcastle senior community, and received total premium of RMB245 million. In terms of technology, it has steadily pushed forward digital transformation, with the electronic entry of agents reaching 100%, the policy management system empowering agents to serve 5 families per month, and the double recording time of the intelligent double recording system shortened from 22 minutes to 8 minutes.

In the second half of the year, Pramerica Fosun Life Insurance will continue to adhere to the business philosophy of "Long-term Value Increase" and thoroughly implement the strategy path of "Focusing on the Agent Team Building, Focusing on Regular-premium Business, Focusing on the Technology and Focusing on Ecosystem". It will continuously improve the customer management platform, optimize the newcomer icebreaker training system, upgrade the policy management system, enrich the ecosystem-based service mode, and increase channel development and product customization cooperation. Meanwhile, it will explore a new mode of customer acquisition and attraction by taking advantage of the "vaccine war" and provide customers with high-quality personalized services in the "insurance+" scenario to achieve C-end Top Priority and build a market brand.

ASSET MANAGEMENT

During the Reporting Period, the revenue and profit attributable to owners of the parent of the Asset Management sector were as follows:

Unit: RMB million

	For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)	Change over the same period of last year
Revenue	4,174.6	5,149.6	(18.9%)
Profit attributable to owners of the parent	995.2	3,159.3	(68.5%)

During the Reporting Period, the revenue of the Asset Management sector decreased by 18.9% year-on-year, which was mainly due to the revenue decrease in Asset Management (property) business affected by the business volume fluctuation due to closing timing. Profit attributable to owners of the parent decreased by 68.5% year-on-year, which was mainly due to the decrease in profit of Asset Management (property) and investment gains of Asset Management business during the Reporting Period.

Fosun Capital

Established in April 2007, Fosun Capital is an equity investment and management company, wholly owned by the Group. It is a leading private equity investment institute in the industry. As a first-class private equity fund manager in China, Fosun Capital provides high-quality equity investment and management services to investors such as the well-known family funds, insurance companies, listed companies, large investment institutions and high net wealth individuals domestically and internationally. Relying on its excellent investment capabilities, high-quality post-investment services and the Group's strong global industry integration capabilities, Fosun Capital is able to empower the portfolio companies in terms of business resources and industrial depth. It helps companies realize long-term value creation and sustainable development.

In the past 14 years since its establishment, Fosun Capital has launched and managed a number of assets, including fund of funds, private equity investment funds, industry funds of listed companies and other types of equity investment funds. As at the end of the Reporting Period, Fosun Capital managed 10 funds and the assets under management were nearly RMB20 billion. Fosun Capital is specialized in investment in the four fields including TMT (Telecommunication, Media and Technology), big consumption, big manufacturing as well as healthcare. There are nearly 100 companies being invested, and more than 20 companies have been successfully listed domestically or overseas.

As at the end of the Reporting Period, five companies under Fosun Capital's investment have applied for domestic IPO market, and two of them have been approved by China Securities Regulatory Commission. In 2021, Fosun Capital was ranked on "Top 30 Best Chinese Private Equity Investment Institutions of 2020" by Chinese Venture. At the same time, Fosun Capital won the Top 30 of the "2021 China's Most LP recognized Private Equity Investment Institution" at White Horse Award by 36Kr, and the "Top 100 China 2020 Best Private Equity Investment Institutions" by ChinaVenture.

Fosun RZ Capital

Fosun RZ Capital is the only global venture capital platform of the Group focusing on technology and new consumption. It is also one of the investment institutions with the richest industrial resources in China. Fosun RZ Capital's vision is to become a top investment institution that leverages its advantages as both an industrial platform and an independent fund to take root in China and cover major growing economic regions globally, with the aim of generating excellent investment returns and long-term strategic value for the Group.

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Fosun RZ Capital is focusing on major economic growth regions in the world for a long time. It has long focused on investment in mid – and high-growth and high-tech companies in major economic growth regions worldwide, realizing the strategic plan of “top technology as horizontal while emerging markets as vertical” in seven locations globally. It not only invests in cutting-edge technological innovation in the U.S., Israel, etc., but also spans into high-growth emerging markets such as China and India, creating an influential global industry-wide innovation ecosystem. As at the end of the Reporting Period, Fosun RZ Capital had more than 40 employees in 7 offices around the world.

Fosun RZ Capital’s global core team has an average of more than 10 years’ investment experience. Since its incorporation, Fosun RZ Capital has invested in an average of around 20 new projects each year. As at the end of the Reporting Period, Fosun RZ Capital has total assets under management amounting to RMB5 billion. During the Reporting Period, over ten projects have exited successfully in cash rendering outstanding performance.

During the Reporting Period, nearly twenty portfolio companies gained financing from subsequent rounds of fund-raising. In 2021, Fosun RZ Capital was ranked on the “Top 50 Best Chinese Venture Capital Institutions of 2020” by Chinese Venture, “Top 100 China 2020 Best Venture Capital Institutions” by ChinaVenture, and “Top 100 Chinese Venture Capital Institutions” by Zero2IPO Group.

In the future, Fosun RZ Capital’s investment will deepen its involvement in technological innovation and strive to capture more technology-driven opportunities. Fosun RZ Capital will evolve together with global outstanding enterprises and maintain empowering the development of the four major business segments of the Group.

Hauck & Aufhäuser Privatbankiers AG (H&A)

Founded in 1796, H&A is a leading private bank in Germany, and its brand has lasted for 225 years. H&A is headquartered in Frankfurt with offices in several key German cities such as Munich, Dusseldorf, Hamburg and Cologne. It also has branches in Luxembourg and London, a wholly-owned subsidiary in Zurich and a representative office in Paris. As at the end of the Reporting Period, the Group held 99.91% equity interest in H&A.

H&A aims to rank among the top 3 private banks in Germany with a focus on managing, preserving, serving and trading client assets. H&A has a clear growth strategy with a diversified and capital-light business model covering the four core business areas, i.e. asset servicing, private banking, financial markets and investment banking.

H&A intends to internationalize its product series, and secure new customer groups and thus further strengthen its own market position. An essential element of H&A’s future growth strategy is its role as a bridge between the major Chinese and European commercial entities. It aims to help German companies gain access to the highly-potential Chinese market which is part of the surging Asian market.

In the context of an unprecedented public health crisis and economic stagnation triggered by the global epidemic, H&A still maintains strong growth. As of the end of the Reporting Period, H&A’s services and assets under management reached EUR194.7 billion, an increase of 29.5% over the same period in 2020. Its Return on Equity (ROE) reached 14.4%, and its CET1 capital ratio increased to 21.38% in 2021.

H&A maintains strong growth in the context of the epidemic mainly due to the following reasons:

Firstly, since 2017, H&A has expanded the scale of its assets under custody through mergers and acquisitions in Luxembourg, Ireland and other European “financial hotspots”. At the same time, it has formed a good brand effect and enhanced the ability to grow naturally, providing one-stop assets trusteeship service for different fund clients. Even during the epidemic, it still maintained strong profitability.

Secondly, H&A’s investment banking business gave full play to its own industry research and team advantage, focused on the technology sector, seized capital growth opportunities and especially gave full play to its advantages in technology sector with small and medium-sized market capitalization in Germany.

Thirdly, the private banking business operates flexibly in product allocation plans, adds alternative allocations such as gold and real estate funds, hedges risks during the epidemic, and safeguards the interests of customers, so it maintains a net inflow of assets during epidemic.

In terms of business innovation, H&A continues to invest in technological innovation, build an online business platform Zeedin through R&D to attract younger generations of customers; at the same time, it enhances experiences in background services, including automation technology and artificial intelligence technology; meanwhile, it explores new products and business models, including the issuance of first digital asset fund and a plan to provide custody management services, to provide comprehensive product services for custody customers; and, it provides innovative service methods, including e-roadshow and remote working environment, to improve work efficiency and customer experience.

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The growth of H&A has been recognized by the public and has won multiple awards, including "Germany's Most Popular Bank" and "Leading Employers in Germany". At the same time, H&A actively implements environmental and social governance development requirements and continuously optimizes corporate governance.

BCP

In 1985, a group of over 200 shareholders and a team of experienced banking professionals incorporated BCP. During the period from 1995 to 2000, BCP solidified its position in the Portuguese banking market through a series of strategic mergers and acquisitions, and became the largest private bank in Portugal. Since 2000, BCP has been strengthening its position into emerging markets in Europe and Africa, especially Poland, Mozambique and Angola, which have a close historical connection to Portugal. Since 2010, BCP entered the Chinese Mainland market through its Guangzhou representative office and relaunched its business activities in Macau with an onshore full banking license. In November 2016, the Group invested in BCP. As at the end of the Reporting Period, the Group held 29.93% equity interest in BCP.

BCP operates and acts with respect for people and institutions, pursuing a mission of excellence, trust, ethics and responsibility, being committed to serving the individuals and corporations on the geographies where it is present with comprehensive financial solutions. BCP provides commercial banking products and services to individuals and corporations, complemented by investment banking and private banking services. BCP also owns a leading digital bank known as "Activo Bank".

During the Reporting Period, the consolidated core net income (net interest income plus net fees and commissions income deducted from operating costs) of BCP amounted to EUR529.1 million, 3.1% lower than EUR545.9 million of the same period of last year, mainly attributed to EUR87.2 million of restructuring charges in Portugal. Excluding restructuring costs, the core net income increased by 8.7% year-on-year. The core net income of the Portuguese business reached EUR354.4 million, increased by 15.6% year-on-year. The good performance of the core net income was mainly due to the increase of the net interest income, recovery of the commission income and consistent cost control. Net profit attributable to shareholders of BCP was EUR12.3 million, compared with EUR76.0 million of the same period of last year, mainly due to the impact of legal risks on the Swiss Franc mortgage loan, which continued to accumulate special provisions.

As at the end of the Reporting Period, the consolidated total assets of BCP amounted to EUR91,365 million, 5.6% of increase year-on-year. BCP's consolidated loans to customers (gross) amounted to EUR57,885 million, showing a 3.4% year-on-year growth, boosted by the favourable performance in Portugal and Poland. Portuguese loans to customer (gross) amounted to EUR39,515 million, increased by 2.9% year-on-year, in which non-performing loans continued to decrease, performing loans increased 5.4% year-on-year, which benefited from the difference in credit granted due to the specific credit policies introduced by the local government under the impact of COVID-19, reflecting the reinforcement of the presence of BCP in the market segment of small and medium enterprises and companies.

BCP's credit asset quality performance was solid and BCP continued to implement the strategy of reducing non-performing assets during the Reporting Period. The non-performing exposure (NPE) was reduced by EUR291.0 million at BCP's group level, the NPE's proportion of total customer loans down from 5.9% at the end of 2020 to 5.2% at the end of the Reporting Period. As at the end of the Reporting Period, consolidated NPE provision coverage ratio of BCP increased by 8.8 percentage points year-on-year to 66.6%.

There was remarkable performance of customers growth during the Reporting Period. The number of mobile subscribers at BCP's group level increased to 3.1 million from 2.7 million at the end of 2020. During the Reporting Period, BCP was awarded "Best Foreign Exchange Provider 2021 in Portugal" by Global Finance, as well as "Best Digital Bank 2020 in Portugal", "Consumer Choice in Portugal 2021" in the "Large Banks" category and "Main Bank for Companies". Activo Bank was awarded "Customer's Choice 2021" in the "Digital Bank" category.

In the following years, strategic plan of BCP aims to raise circumstances adaptation and risks response capacity after pandemic. Therefore, BCP presented a new strategic plan to the market called "Excellence 2024," setting the priorities and objectives for the new strategic cycle for 2021-2024. The design of the Excellence 2024 plan was based on BCP's aspiration for upcoming cycle: to successfully overcome the impact of the pandemic and achieve robust levels of profitability and balance sheet quality, accelerating the bank's competitive differentiation in terms of efficiency and involvement with customers, based on excellent personalized services and new mobile/digital solutions, while simultaneously responding to the challenges of sustainability with a focus on the risks and opportunities of climate change, the social aspect and sound governance of society.

MANAGEMENT DISCUSSION & ANALYSIS

The Bund Finance Center (“BFC”)

BFC is located at 600 Zhongshan No. 2 Road (East) (Postcode: 200010), Shanghai, China, to the east it overlooks the Huangpu River, and to the west there is the Yuyuan Tourist Mart. BFC is a landmark project of Fosun’s “Hive City” and a large ecological commercial complex located in the heart of the Bund. The grand opening was on 12 December 2019. The gross floor area (“GFA”) of BFC is over 420,000 square meters. It integrates ecology with offices, retail, catering, entertainment, health, art and tourism, opening a brand-new horizon of life in Shanghai.

BFC is the exemplary model of “1 + N Happiness Ecosystem” (i.e. family ecosystem and vertical ecosystem), which regards “Fashion, Art, Design” as main theme and thoroughly implements the FC2M strategy. The BFC introduces Fosun’s rich industry resources to the areas surrounding landmarks to leverage the multiplier effect and creates the high-end product line of the Group’s commercial projects, providing deep-level services to meet the needs of urban residents.

BFC’s principal businesses include (i) office rental business which offers premium grade-A offices integrated with multiple smart building technologies and comfortable workspace experience with attentive concierge service; (ii) retail business that houses over 200 stores and brands, of which 30 stores are the first of its kind; (iii) catering business that offers an array of high-quality international restaurants; (iv) health business with swimming pool, gym equipments, aerobic classes and boxing training and a high-end medical clinic providing services such as health check-up, chronic disease and sub-health management, stomatological treatment, anti-aging treatment and beauty salon, body shape management and international healthcare; (v) art business conducted through Fosun Foundation Art Center (Shanghai), which has the world’s

first-ever three-layer “moving” veil system creating an unique and dynamic aesthetic appeal for the building; and held various exhibitions for artists all around the world; and (vi) family-oriented services that feature the Miniversity club jointly established by FTG, Mattel (a children’s entertainment brand) and Club Med.

During the Reporting Period, BFC recorded total revenue of RMB371.67 million. EBITDA amounted to RMB229.41 million.

After the pandemic stabilized, BFC increased its online and offline efforts. Fosun Foundation Art Center (Shanghai) held the fourth stop of the “Tadao Ando: Endeavors” global tour during the BFC Art Festival, which attracted more than 150,000 visits to the exhibition with great popularity in the country; BFC launched the “Family Day on 15 May” (515 家庭日), “BFC Music Festival” (BFC 外灘音樂季), “BFC Summer Wave” (BFC 外灘造浪季), upgraded “BFC Fengjing Weekend Market” (外灘楓徑週末集市) and other highlight activities in succession, rapidly increasing customer traffic and improving performance.

BFC will deepen its implementation of FC2M strategy and introduce its excellent industry resources of “Health, Happiness, Wealth and Intelligent Manufacturing” to meet the clients’ needs, providing caring services to each family meeting their desires for a better life, and securing its building of the “Happiness Ecosystem”. Meanwhile, BFC will continue to promote its online businesses, building BFC product lines, completing a thousand of events annually, aiming to become the new commercial benchmark in Shanghai and China. Close to Yuyuan, BFC will strive to achieve two-way empowerment with Yuyuan in the future, aim to become a “Big Yuyuan Cultural Zone” that integrates culture, art, tourism, consumption, finance, commerce and natural scenery with full upgrade of its overall regional image and industrial ecology to become the most representative landmark in Shanghai.

During the Reporting Period, the particulars of the project are as follows:

Name of project	Floor	Area (sq.m.)
GFA		425,591
Grade A offices	S1	107,079
	S2	103,138
	N1	21,425
	N2	25,462
	N3	10,410
Shopping center		117,520
Boutique hotel		36,346
Fosun Foundation Art Center (Shanghai)		4,211

MANAGEMENT DISCUSSION & ANALYSIS



INTELLIGENT MANUFACTURING

During the Reporting Period, the revenue and profit attributable to owners of the parent of the Intelligent Manufacturing segment were as follows:

Unit: RMB million

	For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)	Change over the same period of last year
Revenue	3,569.7	1,181.2	202.2%
Profit attributable to owners of the parent	1,629.1	901.7	80.7%

During the Reporting Period, the revenue of the Intelligent Manufacturing segment was RMB3,569.7 million, a year-on-year increase of 202.2%. With the industry upward cycle, the operation of core companies such as Nanjing Iron & Steel and Hainan Mining has improved and the profit has recovered strongly, and the profit attributable to owners of the parent was RMB1,629.1 million, a year-on-year increase of 80.7%.

Nanjing Iron & Steel

Nanjing Iron & Steel, a leading whole-process steel conglomerate with high efficiency, was listed on the SSE in 2000. For many years, Nanjing Iron & Steel has increased production efficiency and product competitiveness through asset reorganization and continuous technological innovation.

Nanjing Iron & Steel has formed a unique competitive advantage of "high-efficiency production, low-cost intelligent manufacturing", with the production capability of 10 million tons of crude steel per year. As at the end of the Reporting Period, the Group held 58.71% equity interest in Nanjing Iron & Steel through Nanjing Nangang.

Nanjing Iron & Steel actively responds to "14th Five-Year" high-quality development plan launched by the government of PRC. Aiming at opportunities for manufacturing upgrades and developing around the material industry chain, Nanjing Iron & Steel concentrates on "Green, Smart, High-tech" concept to build it as an intelligent manufacturer of advanced materials with global competitiveness. In terms of the iron and steel business, it aims to build a world-class modern high-quality steel facility, increase R&D and investment in intelligent manufacture and ultra-low carbon emission, and specialize in manufacturing special steels meticulously. In the new industry area, Nanjing Iron & Steel focuses on new materials and the extension of the industrial chain to cultivate and develop it as a leader and hidden champion in this subdivision industry.

During the Reporting Period, Nanjing Iron & Steel recorded total revenue of RMB38,587.8 million, a year-on-year increase of 58.42%. The net profit attributable to shareholders of the listed company was RMB2,260.8 million, a year-on-year increase of 102.65%.

During the Reporting Period, the sales price and sales volume of Nanjing Iron & Steel's advanced iron and steel materials rose together, achieving a sales volume of 867.7 thousand tons with an increase of 40.67% year-on-year. Long-material special steel products continue to make breakthroughs in high-standard bearing steel, construction machinery, automotive transmission, industrial moulds and other fields. It has maintained its leading position in the domestic market share of nine strategic plate-material products such as nickel-based steel, high-grade wear-resistant steel, stainless steel clad plate.

In terms of cost control and efficiency enhancement, Nanjing Iron & Steel has adopted measures such as process optimization, fine and accurate control and management and digital enhancement. In terms of green environmental protection, Nanjing Iron & Steel continues to invest in energy conservation and consumption reduction to upgrade the technology, striving to maintain the position as the industry forerunner in the context of "peaking carbon dioxide emissions" and "carbon neutrality".

During the Reporting Period, Nanjing Iron & Steel continued to extend its steel industry chain. The Indonesian project with annual output of 2.6 million tons of coke was under construction as per schedule. In June 2021, Nanjing Iron &

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Steel announced the proposed new investment in Indonesia with an annual output of 3.9 million tons of coke.

During the Reporting Period, Nanjing Iron & Steel became the largest shareholder of Wansheng after the acquisition of its 14.42% equity interest, thus expanding its scope to the fine chemical industry and complementing optimal industrial strength.

Looking forward, Nanjing Iron & Steel will focus on the diversification of the material industry chain with the core platform which promotes the dual-balanced development in quality and speed. It will continue to strengthen new materials related fields through "Industry Operations + Industrial Investment", forming cycle complements, enhancing the core competitiveness, and improving corporate value creation ability.

Hainan Mining

Established in August 2007, Hainan Mining was listed on the SSE in December 2014. Hainan Mining focuses on the operation of two types of resources of industry of iron ore and oil and gas. ROC, the subsidiary of Hainan Mining, develops across the full range of upstream business activities in the oil and gas industry from exploration and appraisal to development and production. As at the end of the Reporting Period, the Group held 51.57% equity interest in Hainan Mining.

Hainan Mining's principal businesses include (i) iron ore mining, processing and sales business; (ii) oil and gas exploring, developing and sales business; (iii) commodities trade and processing business.

During the Reporting Period, Hainan Mining achieved a revenue of RMB2,045.13 million, a year-on-year increase of 61.02%; net profit attributable to shareholders of the listed company was RMB578.22 million, a year-on-year increase of 2,976.15%. The two main products, iron ore and crude oil, were both positively attributed by the rapid increase in demand and the acute price increase in the first half of the year. Therefore, the revenue and profit during the Reporting Period increased significantly compared with the same period of last year.

In terms of iron ore production, Hainan Mining has managed production with high efficiency, continuously improved and debugged underground mining equipments, strengthened the refined management of equipments, and achieved dual-well production, which resulted in a steady increase in output. During the Reporting Period, the output of Shilu iron ore was 3.2028 million tons, a year-on-year increase of 6.3%, among which the output of underground mining was 2.1302 million tons, a year-on-year increase of 9.8%; the output of finished ore was 1.7057 million tons, a year-on-year increase of 3.82%.

By the end of April 2021, ROC completed the drilling and connection of six oil wells in the D21 project in Malaysia and created a new production record in May under the oil contract of this project. It also increased the production of the Ungani Oil Field in Australia by approximately 100 barrels per day by changing electric submersible pumps. During the Reporting Period, ROC produced 1.8206 million barrels of oil and gas equivalents, representing a year-on-year increase of 9.09%.

During the Reporting Period, Hainan Mining strived to control costs while boosting its production. Its branch in Shilu Town launched the first 100-day "Eugenie Grandet" Challenge and adopted a series of measures to reduce costs, such as researching off-peak power consumption for electricity savings, fully leveraging pools of water with a volume of 5,000 and 3,000 cubic meters, respectively, to reduce water consumption, and cutting production and transportation costs by strictly limiting internal short-distance transport and optimizing three-machine operation. By increasing income, reducing expenditure, and implementing precise management, Hainan Mining continued to lower its costs and boost efficiency. ROC continued to use technology to enhance its oil and gas reserves to dilute its fixed amortization costs and reduce production costs.

During the Reporting Period, Hainan Mining continued to improve its safety and environmental protection management through closed-loop management, and achieved zero fatalities, zero serious injuries, zero major equipment and major fire accidents in terms of safety production. The qualification rate of comprehensive pollutant discharge was 100%. At the same time, Hainan Mining carried out recovery reclamation and planted 155,000 trees, and continued to promote the construction of "Changjiang Urban Industrial Living Room" and green mines.

ROC acquired 100% equity interest of EOG Resources China Limited in May 2021. Hainan Mining obtained the 100% operation right of the Bajiaochang natural gas field in the Sichuan Basin, and launched a subsequent cooperation with China National Petroleum Corporation on such project. It is currently conducting a rapid post-investment integration of the Bajiaochang natural gas field. The total output of such gas field in 2020 was 378 million cubic meters, approximately 2.3 million barrels equivalent, which has increased ROC's layout in the field of clean energy.

JEVE

Established in 2009, JEVE is one of the earliest domestic enterprises to enter into the new energy passenger vehicle NCM lithium battery industry. It mainly focuses on soft pack batteries, with products covering NCM lithium and lithium iron phosphate systems, which serves to meet demands in high-end

MANAGEMENT DISCUSSION & ANALYSIS

pure electric vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles. Amidst the dual pressures of the COVID-19 and fierce market competition, JEVE still maintains a high growth rate relying on technology and R&D investment. During the Reporting Period, JEVE has pressed the fast forward button for advancement and ushered in the “acceleration” of production and sales, while the production value increased by 289% year-on-year. At the same time, the installed capacity of JEVE in the first half of this year increased by 271.4% compared with the same period of last year. During the Reporting Period, in terms of the number of vehicles installed by domestic power battery companies, JEVE ranked the 10th place in China. As at the end of the Reporting Period, the Group and the funds under its management jointly held 53.26% equity interest in JEVE.

On the basis of maintaining the profound cooperation with regular customers such as Great Wall (長城), Chery (奇瑞), Hozon (合眾), JEVE is also actively exploring new customers in 2021. As at the end of the Reporting Period, it has already obtained the fixed points of a number of car companies and connected with several international leading customers. In May, JEVE has successfully passed the ASES review of Dongfeng Nissan (東風日產) and officially entered into the Nissan supplier system. The Nissan expert team had a high opinion of JEVE’s relevant established quality management systems, high-level automation of incoming material management-production-delivery and realization of EPA/MES and other systematic data management on site. The successful passing of the ASES review represents a strong customer’s recognition in JEVE’s project management, product quality and process control, which bears great strategic significance. During the Reporting Period, the company has also passed the Volkswagen (大眾) quality system review and entered into its qualified supplier system. In addition, under the premise of the successful development of the first product, the company has again received the advanced demand in two new products from a leading European car brand this year, which fully demonstrates the customer’s recognition in JEVE’s technical capabilities.

With the support of Fosun and other shareholders, JEVE has embarked on a fast track of development by building core products based on technological innovation. As at the end of the Reporting Period, JEVE has established two technical centers and one research institute in China and has built cooperation with Tsinghua University, Nankai University, National Power Battery Innovation Center and Institute of Physics/Chemistry of Chinese Academy of Sciences as well as other well-known institutions. As of the end of the Reporting Period, JEVE

has applied for 674 patents and 232 invention patents, and undertook 14 national projects and eight local projects. In terms of product development, JEVE currently has developed a soft pack cell with an energy density of approximately 320Wh/kg. In terms of core products, JEVE has four product matrices: high power HEV products, 590 cells and modules, LCM cells and modules and 355 cells and modules.

In terms of production capacity construction, JEVE currently has three power battery production bases in Tianjin, Yancheng and Jiaxing; and the production capacity of soft-pack battery reaches 3.5GWh. In order to further meet the demand of the domestic market, JEVE has been actively planning to increase new production capacity recently. Among them, Yancheng phase II has officially started construction in July 2021, with a designed capacity of 4GWh. Zhejiang Changxing new energy lithium battery factory project has officially entered into a contract with the local government on 31 July 2021 with a planned capacity of 12GWh. Changxing project will add 4GWh energy storage battery construction on top of JEVE’s existing power battery, which not only has entered into the domestic energy storage market development track in advance, but also has realized the diversified development of “power + energy storage”, to enrich JEVE’s market layout.

Looking forward to the future, based on the existing market capacity and scale data, JEVE will conduct in-depth analysis and research by way of the four dimensions of “Target customer planning, Product and R&D technology planning, Marketing planning and Capital planning”, so as to achieve the strategic goal of being a leading enterprise in the domestic industry and in soft package, and finally become an outstanding customer system solution provider for vehicles.

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FINANCIAL REVIEW

Net Interest Expenditures

Net interest expenditures, net of capitalized amounts of the Group, decreased to RMB4,546.4 million for the six months ended 30 June 2021 from RMB4,734.3 million for the six months ended 30 June 2020. The decrease in net interest expenditures was mainly attributable to the decline in the interest rate. For the six months ended 30 June 2021, the interest rates of borrowings were approximately between 0.0% and 9.8% as compared with approximately between 0.3% and 9.5% over the same period of last year.

Tax

Tax of the Group was RMB2,283.4 million for the six months ended 30 June 2021, which was increased by RMB83.1 million compared with that for the six months ended 30 June 2020 of RMB2,200.3 million. The increase in tax was mainly due to the increase in taxable profit of the Group.

Capital Expenditures and Capital Commitment

The capital expenditure of the Group mainly consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights, intangible assets, investment properties and oil and gas assets. We have been increasing our investment in the R&D of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. With an aim to further strengthen our leading role in the happiness industry, we have made extra efforts in the Happiness segment. We continued our commitment in property development, but will adjust our strategy according to market conditions.

As at 30 June 2021, the Group's capital commitment contracted but not provided for was RMB12,125.7 million. These were mainly committed for property development, addition of plant and machinery, oil and gas assets and investments. Details of capital commitment are set out in note 14 to interim condensed consolidated financial statements.

Indebtedness and Liquidity of the Group

As of 30 June 2021, the total interest-bearing debt of the Group was RMB242,810.0 million, representing an increase from RMB229,802.4 million as of 31 December 2020, which was mainly due to the increase in borrowings as a result of business expansion of various segments of the Group. As of 30 June 2021, mid-to-long-term interest-bearing debt of the Group accounted for 60.6% of total interest-bearing debt, while 61.1% as of 31 December 2020. As of 30 June 2021, cash and bank balances and term deposits decreased by RMB757.7 million to RMB106,082.2 million as compared with RMB106,839.9 million as of 31 December 2020.

During the Reporting Period, the average financing cost was 4.40%, which decreased by 0.40 percentage point as compared to that of the full year of 2020.

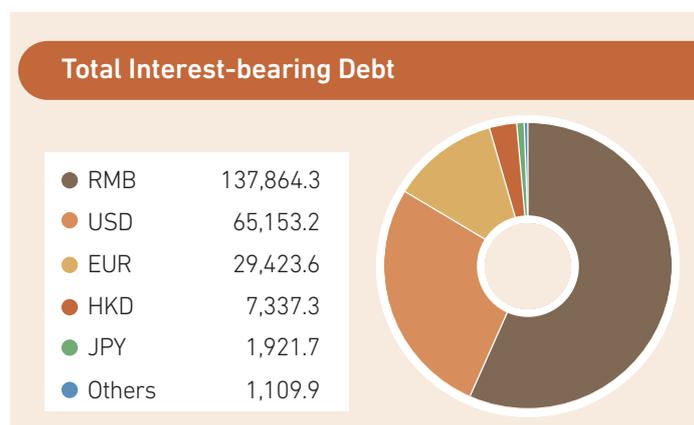
Unit: RMB million

	30 June 2021	31 December 2020
Interest-bearing debt	242,810.0	229,802.4
Cash and bank and term deposits	106,082.2	106,839.9

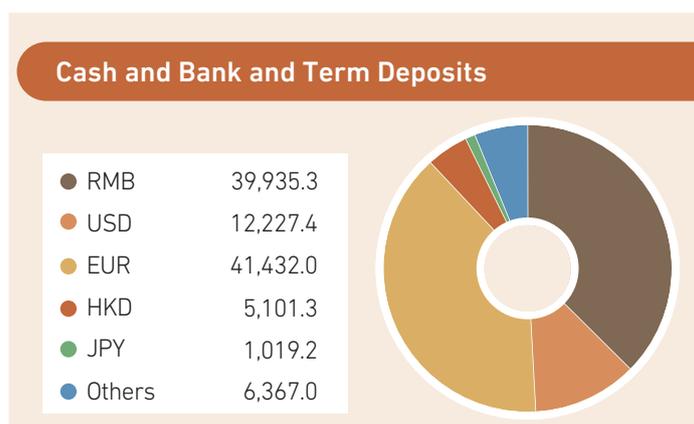
The original denomination of the Group's interest-bearing debt as well as cash and bank and term deposits by currencies, equivalent in RMB, as at 30 June 2021, is summarized as follows:

MANAGEMENT DISCUSSION & ANALYSIS

Unit: RMB million equivalent



Unit: RMB million equivalent

**Interest-bearing Debt to Total Capital Ratio**

As of 30 June 2021, the ratio of interest-bearing debt to total capital was increased to 55.7% as compared with 54.3% as of 31 December 2020. Healthy debt ratios and abundant funds can reinforce the Group's ability to defend against external risk exposure and ensure the Group to capture investment opportunities.

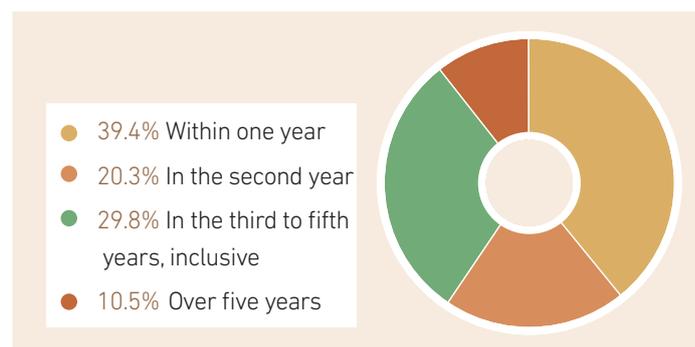
Basis of Calculating Interest Rate

To stabilize interest expenses, the Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimize the interest rate level. As at 30 June 2021, 60.6% of the Group's total borrowings bore interest at a fixed interest rate.

The Maturity Profile of Outstanding Borrowings

The Group sought to manage and extend the maturity of outstanding borrowings, so as to ensure that the outstanding borrowings of the Group due to mature every year would not exceed the expected cash flow of that year and the Group has the re-financing ability for the relevant liabilities in that year.

Outstanding borrowings classified by year of maturity as at 30 June 2021 are as follows:

**Available Facilities**

As at 30 June 2021, save for cash and bank balances and term deposits of RMB106,082.2 million, the Group had unutilized banking facilities of RMB170,252.4 million. The Group has signed strategic cooperation agreements with various foreign and Chinese banks. According to these agreements, the banks committed to strengthen further on the existing relationship, and provide comprehensive financial support toward Fosun's "Health, Happiness, Wealth and Intelligent Manufacturing" business segments. Prior approval of individual projects from banks in accordance with bank regulations of China must be obtained before the use of these banking facilities. As at 30 June 2021, available banking facilities under these arrangements totaled RMB325,154.0 million, of which RMB154,901.6 million was utilized.

Pledged Assets

As at 30 June 2021, the Group had pledged assets of RMB79,099.8 million (31 December 2020: RMB83,420.3 million) for bank and other borrowings. Details of pledged assets are set out in note 10 to interim condensed consolidated financial statements.

Contingent Liabilities

The Group's contingent liabilities was RMB7,503.2 million as at 30 June 2021 (31 December 2020 RMB7,867.4 million), Details of contingent liabilities are set out in note 15 to interim condensed consolidated financial statements.

MANAGEMENT DISCUSSION & ANALYSIS

Interest Coverage

For the six months ended 30 June 2021, the interest coverage was 3.8 times as compared with 2.9 times for the same period in 2020. The increase was mainly due to that EBITDA of the Group increased to RMB17,336.2 million for the six months ended 30 June 2021 from RMB13,776.9 million for the six months ended 30 June 2020.

Financial Policies and Risk Management

General policy

The Company maintains the financial independence of different business segments. Nevertheless, the Company also gives appropriate guidance on the fund management of different segments so as to ensure that risks of the Group are well monitored and financial resources are being effectively applied. To maintain multiple financing channels, the Group tries to obtain funds from different channels through banks and capital markets. Finance arrangements are organised to meet the needs of business development and match the Group's cash flow.

Foreign currency exposure

The functional currencies of the Company and PRC subsidiaries are HKD and RMB, respectively. The financial statements are presented in RMB. Each entity in the Group determines its own functional currency. Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks. These assets include monetary assets such as deposits and bonds held in foreign currencies and non-monetary assets measured at fair value such as investment properties, stocks and funds held in foreign currencies. The Group's foreign currencies denominated liabilities are also exposed to risks as a result of fluctuations in exchange rates. These

liabilities include monetary liabilities such as borrowings, customers' deposits and claim reserves denominated in foreign currencies. Financial settlement and currency conversion as at the reporting date of these foreign currency-denominated assets and liabilities may generate a certain amount of foreign exchange losses or gains, thereby affecting the Group's profits or net assets. The Group will adopt appropriate hedging methods as necessary to hedge the foreign currency risk exposure.

Interest rate exposure

The Group uses bank loans and other borrowings to meet its capital expenditure and working capital requirements from time to time and is subjected to the risk of interest rate fluctuation. Since a certain amount of the Group's borrowings is provided at floating interest rates which are subjected to change by the lenders as required by amendments of regulations of the People's Bank of China and the market conditions in and outside Mainland China, the interest expenses of the Group will increase if the People's Bank of China or foreign banks increase their interest rates.

Application of derivatives

The Group will apply derivative instruments as necessary to hedge the risk exposure instead of speculation.

Forward-Looking Statements

This interim report includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
REVENUE	3	70,405,793	63,269,235
Cost of sales		(46,551,087)	(38,708,624)
Gross profit		23,854,706	24,560,611
Other income and gains	3	11,119,866	7,383,163
Selling and distribution expenses		(10,988,775)	(10,008,730)
Administrative expenses		(11,942,101)	(10,301,509)
Other expenses		(3,817,212)	(5,177,449)
Finance costs	4	(4,740,527)	(5,037,956)
Amount reported in profit or loss applying the overlay approach		(5,525)	982,147
Share of profits and losses of:			
Joint ventures		1,569,692	900,529
Associates		3,730,297	2,071,733
PROFIT BEFORE TAX	5	8,780,421	5,372,539
Tax	6	(2,283,422)	(2,200,250)
PROFIT FOR THE PERIOD		6,496,999	3,172,289
Attributable to:			
Owners of the parent		4,062,181	2,012,111
Non-controlling interests		2,434,818	1,160,178
		6,496,999	3,172,289
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic			
– For profit for the period (RMB)		0.48	0.24
Diluted			
– For profit for the period (RMB)		0.48	0.24

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	6,496,999	3,172,289
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Financial assets designated under the overlay approach:		
Amount reported in other comprehensive income/(loss) applying the overlay approach	5,525	(982,147)
Income tax effect	(25,954)	219,411
	(20,429)	(762,736)
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(1,252,981)	(1,098,761)
Changes in allowance for expected credit losses	(157,494)	16,073
Reclassification adjustments for loss/(gain) on disposal included in the consolidated statement of profit or loss	46,308	(2,779)
Income tax effect	128,439	342,662
	(1,235,728)	(742,805)
Change in other life insurance contract liabilities due to potential loss on financial assets	64,338	94,723
Income tax effect	7,576	4,076
	71,914	98,799
Fair value adjustments of hedging instruments in cash flow hedges	112,800	69,816
Income tax effect	(32,197)	(11,715)
	80,603	58,101
Fair value adjustments of hedging of a net investment in a foreign operation	(203,981)	172,776
Income tax effect	46,745	(40,652)
	(157,236)	132,124
Share of other comprehensive income of associates	13,917	23,979
Exchange differences on translation of foreign operations	(1,709,576)	(902,722)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(2,956,535)	(2,095,260)

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE INCOME (continued)		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Revaluation gain upon transfer from owner-occupied property to investment property	2,131	51,283
Income tax effect	(448)	(10,565)
	1,683	40,718
Actuarial reserve relating to employee benefit	35,932	350
Income tax effect	(1,109)	(408)
	34,823	(58)
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	21,934	(167,453)
Income tax effect	(5,962)	13,744
	15,972	(153,709)
Share of other comprehensive income of associates	23,634	49,403
Net other comprehensive gain/(loss) that will not be reclassified to profit or loss in subsequent periods	76,112	(63,646)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(2,880,423)	(2,158,906)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,616,576	1,013,383
Attributable to:		
Owners of the parent	2,222,726	416,201
Non-controlling interests	1,393,850	597,182
	3,616,576	1,013,383

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2021

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	41,579,459	42,459,864
Investment properties		66,650,329	65,688,473
Right-of-use assets		18,418,898	18,434,077
Exploration and evaluation assets		546,610	555,489
Mining rights		504,061	512,824
Oil and gas assets		2,127,672	1,387,545
Intangible assets		25,745,997	26,223,404
Goodwill		24,258,221	24,479,151
Investments in joint ventures		27,165,160	25,621,386
Investments in associates		97,337,057	92,254,373
Financial assets at fair value through profit or loss		25,983,092	25,193,993
Equity investments designated at fair value through other comprehensive income		541,730	746,295
Debt investments at fair value through other comprehensive income		63,325,288	66,371,132
Debt investments at amortised cost		20,844,472	23,741,297
Properties under development		15,390,942	18,233,525
Due from related companies		1,160,210	1,075,137
Prepayments, other receivables and other assets		2,836,196	4,175,895
Deferred tax assets		6,379,087	6,323,124
Policyholder account assets in respect of unit-linked contracts		8,155,413	3,732,640
Insurance and reinsurance debtors		63,620	76,264
Reinsurers' share of insurance contract provisions		4,477,769	4,769,326
Term deposits		648,194	1,121,996
Placements with and loans to banks and other financial institutions		38,431	40,125
Loans and advances to customers		325,914	361,491
Derivative financial instruments		213,541	407,526
Finance lease receivables		790,056	244,537
Contract assets and other assets		6,706	12,566
Total non-current assets		455,514,125	454,243,455

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
CURRENT ASSETS			
Cash and bank balances		105,434,044	105,717,947
Financial assets at fair value through profit or loss		36,652,723	33,969,450
Debt investments at fair value through other comprehensive income		23,197,912	22,771,181
Debt investments at amortised cost		11,189,941	11,071,593
Derivative financial instruments		813,095	1,604,363
Trade and notes receivables	9	12,241,721	9,016,852
Contract assets and other assets		142,150	97,410
Prepayments, other receivables and other assets		23,657,340	21,208,160
Inventories		18,498,058	17,664,600
Completed properties for sale		10,684,033	11,762,976
Properties under development		40,572,339	36,961,448
Due from related companies		13,146,513	11,831,435
Policyholder account assets in respect of unit-linked contracts		923,139	468,689
Insurance and reinsurance debtors		14,934,931	17,285,390
Reinsurers' share of insurance contract provisions		6,352,156	5,825,518
Placements with and loans to banks and other financial institutions		85	37
Loans and advances to customers		4,243,746	4,035,666
Finance lease receivables		469,771	1,351,935
		323,153,697	312,644,650
Non-current assets classified as held for sale		188,319	792,496
Total current assets		323,342,016	313,437,146

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	10	95,694,138	89,339,137
Contract liabilities		28,696,965	25,165,866
Trade and notes payables	11	18,721,511	18,296,504
Accrued liabilities and other payables		35,826,101	37,940,450
Tax payable		8,374,698	9,599,619
Deposits from customers		54,122,463	47,788,958
Due to the holding company		1,492,987	659,378
Due to related companies		3,362,725	2,196,843
Derivative financial instruments		2,444,237	2,021,960
Accounts payable to brokerage clients		587,971	1,184,878
Unearned premium provisions		8,702,116	9,650,294
Provision for outstanding claims		23,359,256	21,137,373
Provision for unexpired risks		394,422	371,607
Financial liabilities for unit-linked contracts		119,195	129,720
Investment contract liabilities		9,560,373	11,989,305
Other life insurance contract liabilities		359,020	387,828
Insurance and reinsurance creditors		8,930,450	10,259,769
Financial liabilities at fair value through profit or loss		3,069,327	2,134,246
Due to banks and other financial institutions		1,713,228	1,992,004
Assets sold under agreements to repurchase		1,313	3,120,034
Placements from banks and other financial institutions		–	212,595
		305,532,496	295,578,368
Liabilities directly associated with the assets classified as held for sale		4,419	4,614
Total current liabilities		305,536,915	295,582,982
NET CURRENT ASSETS		17,805,101	17,854,164
TOTAL ASSETS LESS CURRENT LIABILITIES		473,319,226	472,097,619

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	10	147,115,862	140,463,287
Deposits from customers		34,972	69,570
Derivative financial instruments		436,877	671,197
Deferred income		1,126,049	1,184,499
Other long term payables		16,262,661	16,035,233
Deferred tax liabilities		16,387,945	16,654,453
Provision for outstanding claims		19,025,651	19,265,658
Financial liabilities for unit-linked contracts		8,959,357	4,071,609
Investment contract liabilities		43,980,309	50,856,395
Other life insurance contract liabilities		22,416,204	24,037,018
Insurance and reinsurance creditors		134,951	132,202
Contract liabilities		421,265	700,277
Due to banks and other financial institutions		904,281	944,141
Due to related companies		133,769	923,453
Due to the holding company		3,000,000	3,000,000
Financial liabilities at fair value through profit or loss		–	2,000
Total non-current liabilities		280,340,153	279,010,992
Net assets		192,979,073	193,086,627
EQUITY			
Equity attributable to owners of the parent			
Share capital		36,919,936	36,785,936
Treasury shares		(208,528)	(163,600)
Other reserves		91,007,960	91,189,690
		127,719,368	127,812,026
Non-controlling interests		65,259,705	65,274,601
Total equity		192,979,073	193,086,627

Guo Guangchang

Director

Gong Ping

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the parent										
	Issued capital	Treasury shares	Other deficits	Surplus reserve	Fair value reserve	Other reserve	Retained earnings	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
At 31 December 2020 (audited)	36,785,936	(163,600)	(443,540)	14,662,667	469,333	6,185,130	71,545,316	(1,229,216)	127,812,026	65,274,601	193,086,627
Total comprehensive income/(loss) for the Period	-	-	-	-	(703,943)	164,774	4,062,181	(1,300,286)	2,222,726	1,393,850	3,616,576
Acquisition of subsidiaries (note 13(a))	-	-	-	-	-	-	-	-	-	38,281	38,281
Distributions to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(1,832,638)	(1,832,638)
Transfer from retained profits	-	-	-	1,772,215	-	-	(1,772,215)	-	-	-	-
Disposal of subsidiaries (note 13(b))	-	-	-	-	-	-	-	-	-	(237,196)	(237,196)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	(619)	(619)
Final dividend declared	-	-	-	-	-	-	(1,537,028)	-	(1,537,028)	-	(1,537,028)
Share of other reserve of associates	-	-	-	-	-	62,575	-	-	62,575	84,218	146,793
Share of other reserve of joint ventures	-	-	-	-	-	3,832	-	-	3,832	-	3,832
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(719,373)	-	-	(719,373)	(809,142)	(1,528,515)
Disposal of partial interests in subsidiaries without losing control	-	-	-	-	-	409	-	-	409	46,296	46,705
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	369,781	369,781
Deemed disposal of partial interests in subsidiaries	-	-	-	-	-	403,853	-	-	403,853	768,317	1,172,170
Reclassification of non-controlling interests to liabilities as if the acquisition took place due to put options granted to non-controlling shareholders of subsidiaries	-	-	-	-	-	(30,262)	-	-	(30,262)	32,871	2,609
Repurchase of shares of the Company	-	20,423	-	-	-	-	(583,014)	-	(562,591)	-	(562,591)
Equity-settled share-based payments of the Company**	134,000	(65,351)	-	-	-	(5,448)	-	-	63,201	-	63,201
Equity-settled share-based payments of subsidiaries	-	-	-	-	-	-	-	-	-	131,085	131,085
At 30 June 2021 (unaudited)	36,919,936	(208,528)	(443,540)*	16,434,882*	(234,610)*	6,065,490*	71,715,240*	(2,529,502)*	127,719,368	65,259,705	192,979,073

* These reserve accounts comprise the consolidated other reserves of RMB91,007,960,000 in the interim condensed consolidated statement of financial position.

** According to the share award scheme of the Company, 5,833,520 shares were vested during the Period.

	Attributable to owners of the parent										
	Issued capital RMB'000	Treasury shares RMB'000	Other deficits RMB'000	Surplus reserve RMB'000	Fair value reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2019 (audited)	36,714,828	(130,259)	(443,540)	12,873,389	97,170	5,296,747	68,400,667	(256,660)	122,552,342	58,371,874	180,924,216
Total comprehensive income/(loss) for the Period	-	-	-	-	(1,323,505)	276,534	2,012,111	(548,939)	416,201	597,182	1,013,383
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	978,946	978,946
Distributions to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(3,005,275)	(3,005,275)
Transfer from retained profits	-	-	-	1,477,662	-	-	(1,477,662)	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(62,252)	(62,252)
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	(1,542)	(1,542)
Final dividend declared	-	-	-	-	-	-	(2,078,369)	-	(2,078,369)	-	(2,078,369)
Share of other reserve of associates	-	-	-	-	-	(6,017)	-	-	(6,017)	8,776	2,759
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(70,281)	-	-	(70,281)	(1,816,598)	(1,886,879)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	404,654	404,654
Deemed acquisition of additional interest in a subsidiary	-	-	-	-	-	(66,331)	-	-	(66,331)	(17,449)	(83,780)
Deemed disposal of partial interests in subsidiaries	-	-	-	-	-	(301)	-	-	(301)	3,092	2,791
Reclassification of non-controlling interests to liabilities as if the acquisition took place due to put options granted to non-controlling shareholders of subsidiaries	-	-	-	-	-	18,487	-	-	18,487	278,753	297,240
Repurchase of shares of the Company	-	-	-	-	-	-	(338,223)	-	(338,223)	-	(338,223)
Equity-settled share-based payments of the Company**	-	42,770	-	-	-	52,655	-	-	95,425	-	95,425
Equity-settled share-based payments of subsidiaries	-	-	-	-	-	-	-	-	-	191,459	191,459
At 30 June 2020 (unaudited)	36,714,828	(87,489)	(443,540) *	14,351,051 *	(1,226,335) *	5,501,493 *	66,518,524 *	(805,599) *	120,522,933	55,931,620	176,454,553

* These reserve accounts comprise the consolidated other reserves of RMB83,895,594,000 in the interim condensed consolidated statement of financial position.

** According to the share award scheme of the Company, 5,043,720 shares were vested during the Period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		2,646,843	12,225,611
Tax paid		(3,685,235)	(3,075,200)
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(1,038,392)	9,150,411
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment, intangible assets, exploration and evaluation assets and oil and gas assets		(3,912,254)	(3,905,238)
Prepayments for addition of right-of use assets		(192,510)	(65,912)
Increase of investment properties		(2,317,019)	(639,138)
Purchase of financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income and debt investments at amortised cost		(61,604,308)	(66,551,607)
Decrease/(increase) in deposits of derivative financial instruments		102,138	(540,341)
Proceeds from disposal of financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income and debt investments at amortised cost		61,888,790	72,773,166
Proceeds from disposal of items of property, plant and equipment, intangible assets, non-current assets held-for-sale, investment properties and oil and gas assets		1,114,865	376,891
Disposal of subsidiaries	13(b)	867,843	(258,792)
Proceeds from disposal or partial disposal of associates and joint ventures		2,450,112	662,333
Acquisition of subsidiaries	13(a)	(900,941)	(572,679)
Investment in associates and joint ventures		(5,109,124)	(2,652,977)
Dividends and interest received from financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, debt investments at amortised cost, associates and joint ventures		2,467,880	2,714,727
Decrease/(increase) in pledged bank balances and time deposits with original maturity of more than three months		3,236,303	(439,830)
Prepayments for proposed acquisitions of long term assets		(537,795)	(269,203)
Interest received		537,249	472,894
NET CASH FLOWS (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(1,908,771)	1,104,294

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	862,380	407,445
New bank and other borrowings	93,755,139	80,671,001
Principal portion of lease payments	(1,445,891)	(1,284,939)
Repayment of bank and other borrowings	(78,248,920)	(57,445,153)
Decrease in loans from non-controlling shareholders	–	(2,445,355)
Distribution paid to non-controlling shareholders of subsidiaries	(870,164)	(2,310,470)
Acquisition of additional interests in subsidiaries	(1,528,515)	(1,573,892)
Interest paid	(5,289,406)	(5,096,621)
Disposal of partial interests in subsidiaries without losing control	46,705	–
Repurchase of shares	(562,591)	(338,223)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	6,718,737	10,583,793
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,771,574	20,838,498
Cash and cash equivalents at beginning of the Period	93,767,205	81,976,345
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	97,538,779	102,814,843
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
CASH AND BANK BALANCES AT END OF THE PERIOD	106,082,238	115,864,247
Less: Pledged bank balances and term deposits with original maturity of more than three months	(6,567,588)	(10,147,123)
Required reserve deposits	(499,281)	(403,484)
Restricted presale proceeds of properties	(1,476,590)	(2,498,797)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	97,538,779	102,814,843

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2021 (the "Period") has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

The financial information relating to the year ended 31 December 2020 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on the financial statements for the year ended 31 December 2020. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

1.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7
HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform-Phase 2

Amendment to HKFRS 16

*COVID-19-Related Rent Concessions beyond
30 June 2021(early adopted)*

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES *(Continued)*

1.2 Changes in accounting policies *(Continued)*

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 or HKAS 39 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in Renminbi and foreign currencies based on various Interbank Offered Rates as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the period ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic. A reduction in the lease payments arising from the rent concessions of RMB77,262,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the period ended 30 June 2021.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (i) The Health segment engages in the research and development, manufacture, sale and trading of pharmaceutical and health products and providing medical services and health management;
- (ii) The Happiness segment comprises principally the operation and investments in tourism and leisure, fashion consumer and lifestyle industries;
- (iii) The Insurance segment mainly engages in the operation of and investment in the insurance businesses;
- (iv) The Asset Management segment comprises principally the operation and investment of asset managements, market investments, and investments in other companies of the Group; and
- (v) The Intelligent Manufacturing segment comprises principally the operation of and investment in the intelligent manufacturing and iron, steel and ore production.

Both the Insurance segment and the Asset Management segment listed above belong to the Wealth sector of the Group.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

As management changed the structure of the Group's internal organisation to match its business development strategy in a manner that caused to change the Group's composition of its reportable segments as at the end of 2020, some entities in the Group were re-allocated to reflect such change and we have restated the comparative amounts for the six months ended 30 June 2020. Segment performance is evaluated based on reportable segment profit or loss, which is measured consistently with the Group's profit or loss after tax. The head office and corporate expenses are allocated to each reportable segments based on their respective utilisation of internal resources. Certain interest-bearing bank and other borrowings which are managed on the group basis are allocated to each reportable segments based on their respective utilisation of the financing.

Inter-segment sales and transfers are transacted with reference to the fair selling prices used for sales made to third parties at the then prevailing market prices.

2. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2021 (unaudited)

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations RMB'000	Total RMB'000
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000		
Segment revenue:							
Sales to external customers	18,948,617	28,341,099	15,475,044	4,071,302	3,569,731	-	70,405,793
Inter-segment sales	333,378	120,198	282	103,288	-	(557,146)	-
Total revenue	19,281,995	28,461,297	15,475,326	4,174,590	3,569,731	(557,146)	70,405,793
Segment results:							
Profit before tax	3,476,662	(591,550)	2,203,987	1,778,532	1,952,082	(39,292)	8,780,421
Tax	(522,787)	(708,866)	(482,710)	(436,301)	(132,758)	-	(2,283,422)
Profit/(loss) for the Period	2,953,875	(1,300,416)	1,721,277	1,342,231	1,819,324	(39,292)	6,496,999
Other segment information:							
Interest and dividend income	130,809	304,282	1,845,517	503,571	36,342	(61,510)	2,759,011
Other income and gains (excluding interest and dividend income)	2,136,931	893,495	2,621,465	2,450,820	276,126	(17,982)	8,360,855
Amount reported in profit or loss applying the overlay approach	-	-	(5,525)	-	-	-	(5,525)
Impairment losses recognised in the statement of profit or loss, net	(298,581)	(18,886)	398,871	(291,699)	(1,000,985)	-	(1,211,280)
Finance costs	(549,522)	(1,223,737)	(803,865)	(2,122,765)	(134,455)	93,817	(4,740,527)
Share of profits and losses of							
- Joint ventures	(85,223)	(77,250)	(15,648)	829,637	918,176	-	1,569,692
- Associates	986,944	121,362	640,465	646,783	1,369,880	(35,137)	3,730,297

2. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2020 (restated) (unaudited)

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations RMB'000	Total RMB'000
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000		
Segment revenue:							
Sales to external customers	15,956,537	26,981,985	14,162,412	4,987,101	1,181,200	-	63,269,235
Inter-segment sales	284,099	44,114	95	162,504	-	(490,812)	-
Total revenue	16,240,636	27,026,099	14,162,507	5,149,605	1,181,200	(490,812)	63,269,235
Segment results:							
Profit before tax	2,264,469	528,664	(1,681,113)	3,321,427	960,059	(20,967)	5,372,539
Tax	(360,435)	(1,143,712)	(134,098)	(525,654)	(36,351)	-	(2,200,250)
Profit/(loss) for the Period	1,904,034	(615,048)	(1,815,211)	2,795,773	923,708	(20,967)	3,172,289
Other segment information:							
Interest and dividend income	118,054	202,036	1,581,174	330,565	19,418	(70,597)	2,180,650
Other income and gains (excluding interest and dividend income)	881,296	414,367	1,131,488	2,689,706	88,406	(2,750)	5,202,513
Amount reported in profit or loss applying the overlay approach	-	-	982,147	-	-	-	982,147
Impairment losses recognised in the statement of profit or loss, net	(59,368)	(56,076)	(221,630)	(44,957)	3,339	16,344	(362,348)
Finance costs	(594,172)	(1,099,075)	(905,357)	(2,387,850)	(126,427)	74,925	(5,037,956)
Share of profits and losses of							
- Joint ventures	(45,806)	(4,757)	(21,410)	495,127	477,375	-	900,529
- Associates	708,441	167,279	310,920	473,345	487,842	(76,094)	2,071,733

2. OPERATING SEGMENT INFORMATION *(Continued)*

Total segment assets and liabilities as at 30 June 2021 and 31 December 2020 are as follows:

Segment assets:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited) (Restated)
Health	105,180,895	100,117,588
Happiness	184,870,046	178,506,250
Wealth		
Insurance	212,087,472	214,233,433
Asset Management	243,366,832	243,338,968
Intelligent Manufacturing	43,491,808	42,055,524
Eliminations*	(10,140,912)	(10,571,162)
Total consolidated assets	778,856,141	767,680,601

Segment liabilities:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited) (Restated)
Health	48,910,067	45,006,099
Happiness	131,620,230	123,472,719
Wealth		
Insurance	190,958,740	193,525,754
Asset Management	209,177,822	207,315,956
Intelligent Manufacturing	15,324,323	15,041,512
Eliminations*	(10,114,114)	(9,768,066)
Total consolidated liabilities	585,877,068	574,593,974

* Inter-segment loans and other balances are eliminated on consolidation.

2. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Chinese Mainland	40,750,240	35,841,277
Portugal	8,527,445	8,459,635
Other countries and regions	21,128,108	18,968,323
Total Revenue	70,405,793	63,269,235

The revenue information above is based on the locations of the customers.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	Note	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue			
Revenue from contracts with customers			
– Sale of goods		42,983,167	36,388,284
– Rendering of services		11,289,511	11,859,716
		54,272,678	48,248,000
Revenue from other sources			
– Insurance revenue	(1)	15,265,863	14,019,496
– Rental income		952,344	905,168
– Interest income		230,379	294,368
		16,448,586	15,219,032
Others			
– Less: Government surcharges		(315,471)	(197,797)
		70,405,793	63,269,235
(1) Insurance revenue:			
Gross premiums written		17,910,794	18,111,967
Less: Premiums ceded to reinsurers and retrocessionaires		(3,289,672)	(3,516,591)
Net premiums written		14,621,122	14,595,376
Change in unearned premium provisions, net of reinsurance		644,741	(575,880)
Net earned premiums		15,265,863	14,019,496

3. REVENUE, OTHER INCOME AND GAINS *(Continued)*

An analysis of revenue, other income and gains is as follows: *(Continued)*

Disaggregated revenue information

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2021 (unaudited)

Segments:

	Health	Happiness	Wealth		Intelligent Manufacturing	Total RMB'000
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	
Type of goods or services						
Sale of goods	14,585,621	23,915,886	–	869,420	3,612,240	42,983,167
Rendering of services	4,344,532	4,418,126	209,785	2,300,564	16,504	11,289,511
	18,930,153	28,334,012	209,785	3,169,984	3,628,744	54,272,678
Timing of revenue recognition						
Goods transferred at a point in time	14,585,621	23,915,886	–	869,420	3,612,240	42,983,167
Services transferred over time	4,344,532	4,418,126	209,785	2,300,564	16,504	11,289,511
	18,930,153	28,334,012	209,785	3,169,984	3,628,744	54,272,678

For the six months ended 30 June 2020 (restated) (unaudited)

Segments:

	Health	Happiness	Wealth		Intelligent Manufacturing	Total RMB'000
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	
Type of goods or services						
Sale of goods	12,108,104	21,267,629	–	1,801,822	1,210,729	36,388,284
Rendering of services	3,890,479	5,622,932	143,196	2,203,109	–	11,859,716
	15,998,583	26,890,561	143,196	4,004,931	1,210,729	48,248,000
Timing of revenue recognition						
Goods transferred at a point in time	12,108,104	21,267,629	–	1,801,822	1,210,729	36,388,284
Services transferred over time	3,890,479	5,622,932	143,196	2,203,109	–	11,859,716
	15,998,583	26,890,561	143,196	4,004,931	1,210,729	48,248,000

3. REVENUE, OTHER INCOME AND GAINS *(Continued)*

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other income		
Interest income	530,076	493,623
Dividends and interest from financial assets	2,228,935	1,687,027
Rental income	290,351	347,863
Government grants	405,396	350,213
Consultancy and other service income	212,075	208,971
Fee income relating to investment contracts and reinsurance profit sharing	387,411	355,396
Others	691,563	419,111
	4,745,807	3,862,204
Gains		
Gain on disposal of subsidiaries	353,983	–
Gain on deemed disposal of associates	2,893	399,001
Gain on disposal/partial disposal of associates	780,873	205,437
Gain on bargain purchase of associates	–	1,341,916
Gain on disposal of property, plant and equipment	100	533
Gain on disposal of investment properties	–	4,171
Gain on disposal of intangible assets	–	61,563
Gain on disposal of debt investments at fair value through other comprehensive income	202,922	–
Gain on fair value adjustment of investment properties	122,742	1,432,618
Gain on fair value adjustment of financial assets at fair value through profit or loss	3,987,552	–
Gain on reversal of impairment of debt investments at amortized cost	11,864	–
Gain on reversal of impairment of debt investments at fair value through other comprehensive income	157,494	–
Gain on rent concessions as a result of the COVID-19 pandemic	55,556	75,720
Exchange gains, net	698,080	–
	6,374,059	3,520,959
Other income and gains	11,119,866	7,383,163

4. FINANCE COSTS

For the six months ended 30 June

	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Total interest expenses (excluding lease liabilities)	5,152,995	5,135,802
Incremental interest on other long term payables	2,305	18,241
Interest on lease liabilities	308,788	351,489
Less: Interest capitalised, in respect of bank and other borrowings	(926,145)	(777,484)
Interest expenses, net	4,537,943	4,728,048
Interest on discounted bills	8,453	6,246
Bank charges and other finance costs	194,131	303,662
Total finance costs	4,740,527	5,037,956

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

For the six months ended 30 June

	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of sales	46,551,087	38,708,624
Depreciation of items of property, plant and equipment	1,655,929	1,539,120
Depreciation of items of right-of-use assets	1,221,999	1,228,570
Amortisation of:		
Mining rights	8,763	8,313
Intangible assets	976,163	724,795
Oil and gas assets	146,524	169,317
Impairment of financial assets, net:		
– Impairment of receivables	22,205	102,696
– (Reversal of)/provision for impairment of debt investments measured at fair value through other comprehensive income	(157,494)	16,073
– Impairment of loans and advances to customers	–	16,144
– Impairment of insurance and reinsurance debtors	14,717	188,064
– (Reversal of)/provision for impairment of debt investments at amortised cost	(11,864)	6,211
– Impairment of finance lease receivables	27,442	1,499
Provision for inventories	49,556	5,935
Provision for impairment of investments in associates	1,191,697	–
Provision for impairment of completed properties for sale	854	13,301
Provision for impairment of items of property, plant and equipment	74,167	12,425
Exchange (gain)/loss, net	(698,080)	117,133
(Gain)/loss on disposal of subsidiaries (note 13(b))	(353,983)	56,343
(Gain)/loss on disposal of debt investments at fair value through other comprehensive income	(202,922)	296,285
(Gain)/loss on fair value adjustment of financial assets at fair value through profit or loss	(3,987,552)	2,504,045
Loss on derivative financial instruments	672,706	338,470
Ineffectiveness of hedges	119,657	19,440

6. TAX

The major components of tax expenses for the six months ended 30 June 2021 and 2020 are as follows:

	Notes	For the six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current – Portugal, Hong Kong and others	(1)	1,324,036	428,368
Current – Chinese Mainland			
– Income tax in Chinese Mainland for the period	(2)	739,777	1,145,647
– LAT in Chinese Mainland for the period	(3)	438,179	806,763
Deferred		(218,570)	(180,528)
Tax expenses for the period		2,283,422	2,200,250

Notes:

- (1) Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period.
- The provision for income tax of Peak Reinsurance Company Limited ("Peak Re") incorporated in Hong Kong is based on a preferential rate for insurance companies of 8.25% (six months ended 30 June 2020: 8.25%).
- The provision for income tax of Alma Lasers Ltd. ("Alma Lasers"), a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma"), which was incorporated in Israel, is based on a preferential rate of 6% (six months ended 30 June 2020: 9.48%).
- The provision for income tax of Fidelidade – Companhia de Seguros, S.A., Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência – Companhia de Seguros, S.A., subsidiaries incorporated in Portugal, is based on a rate of 31.5% (six months ended 30 June 2020: 31.5%).
- The provision for income tax of AmeriTrust Group, Inc. and its subsidiaries which was incorporated in the United States is based on a rate of 21% (six months ended 30 June 2020: 21%).
- The provision for income tax of Club Med Holding and its subsidiaries which was incorporated in France acquired by the Group is based on a rate of 32.02% (six months ended 30 June 2020: 32.02%).
- The provision for income tax of Hauck & Aufhäuser Privatbankiers AG and its subsidiaries which was incorporated in Germany is based on a rate of 32.10% (six months ended 30 June 2020: 32.15%).
- The provision for income tax of Gland Pharma Limited ("Gland"), which was incorporated in India, is based on a statutory rate of 25.17% (six months ended 30 June 2020: 25.17%).
- (2) The provision for Chinese Mainland current income tax is based on a statutory rate of 25% (six months ended 30 June 2020: 25%) of the assessable profits of the Group as determined in accordance with the Enterprise Income Tax Law of the PRC which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese Mainland, which were taxed at preferential rates of 0% to 20%.
- (3) According to the tax notices issued by the relevant local tax authorities, the Group commenced to pay land appreciation tax ("LAT") at rates ranging from 0.5% to 5% on proceeds from the sale and pre-sale of properties from 2004. The Directors considered that the relevant tax authorities would unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the Period, the prepaid LAT of the Group amounted to RMB204,232,000 (six months ended 30 June 2020: RMB331,717,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB258,695,000 (six months ended 30 June 2020: RMB693,881,000) in respect of the sales of properties in the Period in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the Period, unpaid LAT provision in the amount of RMB24,748,000 (six months ended 30 June 2020: RMB218,835,000) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the share award scheme, and the weighted average number of ordinary shares of 8,367,986,984 (six months ended 30 June 2020: 8,504,385,532) in issue during the Period.

The calculation of the diluted earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	4,062,181	2,012,111
Less: Cash dividends distributed to share award scheme	(3,958)	(1,708)
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	4,058,223	2,010,403
Cash dividends distributed to the share award scheme	3,958	1,708
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	4,062,181	2,012,111*
	Number of shares For the six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	8,367,986,984	8,504,385,532
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	8,013,313	5,427,603
– Share option scheme	2,706,033	–
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	8,378,706,330	8,509,813,135*
Basic earnings per share (RMB)	0.48	0.24
Diluted earnings per share (RMB)	0.48	0.24

* Because the diluted earnings per share amount is increased when taking the share award scheme into account, the share award scheme had an anti-dilutive effect on the basic earnings per share for the six months ended 30 June 2020 and were ignored in the calculation of diluted earnings per share. The potential ordinary shares of the share option scheme are excluded from the calculation of diluted earnings per share, because the exercise price of the share option scheme is higher than the average market price of the ordinary shares of the Company for the six months ended 30 June 2020. Therefore, the diluted earnings per share amount is based on the profit for the six months ended 30 June 2020 of RMB2,010,403,000, and the weighted average number of ordinary shares of 8,504,385,532 in issue for the six months ended 30 June 2020.

8. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Carrying value at beginning of the Period (audited)	42,459,864	39,610,397
Additions	2,563,865	2,059,000
Acquisition of subsidiaries (note 13(a))	28,436	521,752
Transfer from investment properties	49,579	10,435
Disposal of subsidiaries (note 13(b))	(444,964)	(510,737)
Disposals	(229,662)	(105,419)
Transfer to assets classified as held for sale	–	(44,080)
Transfer to properties under development	(560,128)	–
Transfer to investment properties	(117,460)	(51,586)
Provision for impairment (note 5)	(74,167)	(12,425)
Depreciation charge for the Period (note 5)	(1,655,929)	(1,539,120)
Exchange alignment	(439,975)	(277,212)
Carrying value at end of the Period (unaudited)	41,579,459	39,661,005

As at 30 June 2021, the Group's property, plant and equipment with a net carrying value of RMB6,377,180,000 (31 December 2020: RMB4,759,713,000) were pledged as security for interest-bearing bank and other borrowings as set out in note 10 to the interim condensed consolidated financial statements.

9. TRADE AND NOTES RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	11,554,387	8,665,245
Notes receivable	687,334	351,607
	12,241,721	9,016,852

9. TRADE AND NOTES RECEIVABLES *(Continued)*

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	8,100,218	5,897,611
91 to 180 days	1,869,380	1,718,135
181 to 365 days	1,253,132	627,514
1 to 2 years	403,216	371,935
2 to 3 years	161,331	193,354
Over 3 years	247,072	241,327
	12,034,349	9,049,876
Less: Provision for impairment of trade receivables	479,962	384,631
	11,554,387	8,665,245

Trade and notes receivables of the Group mainly arose from the Health segment and the Happiness segment. Credit terms granted to the Group's customers are as follows:

	Credit terms
Health segment	90 to 180 days
Happiness segment	30 to 360 days

At 30 June 2021, the Group's trade and notes receivables with a carrying amount of approximately RMB293,014,000 (31 December 2020: RMB149,532,000) were pledged to secure interest-bearing bank and other borrowings as set out in note 10 to the interim condensed consolidated financial statements.

10. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		461,595	820,000
Secured		46,722,785	42,716,938
Unsecured		82,684,992	76,041,910
		129,869,372	119,578,848
Corporate bonds and enterprise bonds	(2)	35,389,503	38,749,139
Private placement notes		–	1,002,826
Private placement bond	(3)	2,961,795	4,436,030
Senior notes	(4)	34,990,900	32,613,393
Medium-term notes	(5)	16,588,223	17,935,947
Super short-term commercial papers	(6)	10,265,372	2,029,786
Other borrowings, secured	(7)	12,137,838	12,563,192
Other borrowings, unsecured	(7)	606,997	893,263
Total		242,810,000	229,802,424
Portion classified as current liabilities		(95,694,138)	(89,339,137)
Non-current portion		147,115,862	140,463,287

10. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes:

- (1) Certain of the Group's bank loans, other borrowings and private placement bonds are secured by the pledges of assets with carrying values at the end of each reporting period as follows:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Pledge of assets:		
Buildings (note 8)	5,680,263	4,459,296
Construction in progress (note 8)	696,917	300,417
Investment properties	23,300,272	23,400,126
Right-of-use assets	1,640,924	1,710,219
Properties under development	27,203,470	28,695,758
Completed properties for sale	1,882,662	1,881,810
Trade and notes receivables (note 9)	293,014	149,532
Pledged bank balances	46,054	551,975
Finance lease receivables	783,303	1,071,603
Inventories	423,346	470,817
Investment in an associate	13,378,221	15,884,365
Financial assets at fair value through profit or loss	3,411,426	3,803,068
Intangible assets	10,800	10,800
Debt investments at fair value through value through comprehensive income	349,078	312,693
Investment in associates included in assets classified as held for sale	-	717,787

Apart from the above, certain interest-bearing bank borrowings are secured by investments in subsidiaries as at 30 June 2021.

Interest-bearing bank and other borrowings amounted to RMB374,686,000 (2020: Nil) were guaranteed by Fosun International Holdings Ltd. which is the ultimate holding company of the Company.

The bank loans bear interest at rates ranging from 0.0% to 8.0% (31 December 2020: 0.00% to 7.6%) per annum.

10. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(Continued)*

(2) Corporate bonds and enterprise bonds

On 14 March 2017, Fosun Pharma issued five-year domestic corporate bonds with a par value of RMB1,250,000,000 and an effective interest rate of 4.66% per annum. On 14 March 2020, Fosun Pharma repaid in advance with a par value of RMB158,050,000. Interest is paid annually in arrears and the maturity date is 14 March 2022.

On 12 January 2018, Fosun High Technology issued five-year domestic corporate bonds with a par value of RMB1,200,000,000 and an effective interest rate of 6.56% per annum. On 12 January 2021, Fosun High Technology repaid in advance with a par value of RMB999,400,000. Interest is paid annually in arrears and the maturity date is 12 January 2023.

On 12 March 2018, Fosun High Technology issued five-year domestic corporate bonds with a par value of RMB600,000,000 and an effective interest rate of 6.89% per annum. On 12 March 2021, Fosun High Technology repaid in advance with a par value of RMB450,000,000. Interest is paid annually in arrears and the maturity date is 12 March 2023.

On 13 August 2018, Fosun Pharma issued five-year domestic corporate bonds with a par value of RMB1,300,000,000 and an effective interest rate of 5.15% per annum. Interest is paid annually in arrears and the maturity date is 13 August 2023.

On 27 August 2018, Forte issued three-year domestic corporate bonds with a par value of RMB3,000,000,000 and an effective interest rate of 6.92% per annum. Interest is paid annually in arrears and the maturity date is 27 August 2021.

On 22 November 2018, Fosun High Technology issued four-year domestic corporate bonds with a par value of RMB2,200,000,000 and an effective interest rate of 5.40% per annum. On 22 November 2020, Fosun High Technology repaid in advance with a par value of RMB251,500,000. Interest is paid annually in arrears and the maturity date is 22 November 2022.

On 26 November 2018, Yuyuan issued five-year domestic corporate bonds with a par value of RMB2,000,000,000 and an effective interest rate of 4.97% per annum. Interest is paid annually in arrears and the maturity date is 26 November 2023.

On 30 November 2018, Fosun Pharma issued four-year domestic corporate bonds with a par value of RMB500,000,000 and an effective interest rate of 4.54% per annum. On 30 November 2020, Fosun Pharma repaid in advance with a par value of RMB260,000,000. Interest is paid annually in arrears and the maturity date is 30 November 2022.

On 30 November 2018, Fosun Pharma issued five-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 4.75% per annum. Interest is paid annually in arrears and the maturity date is 30 November 2023.

On 27 November 2019, Yuyuan issued five-year domestic corporate bonds with a par value of RMB600,000,000 and an effective interest rate of 4.95% per annum. Interest is paid annually in arrears and the maturity date is 27 November 2024.

On 14 February 2020, Forte issued three-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 4.33% per annum. Interest is paid annually in arrears and the maturity date is 14 February 2023.

On 20 February 2020, Yuyuan issued five-year domestic corporate bonds with a par value of RMB1,900,000,000 and an effective interest rate of 3.60% per annum. Interest is paid annually in arrears and the maturity date is 20 February 2025.

On 21 April 2020, Fosun High Technology issued four-year domestic corporate bonds with a par value of RMB1,700,000,000 and an effective interest rate of 3.38% per annum. Interest is paid annually in arrears and the maturity date is 21 April 2024.

On 21 April 2020, Fosun High Technology issued five-year domestic corporate bonds with a par value of RMB300,000,000 and an effective interest rate of 4.58% per annum. Interest is paid annually in arrears and the maturity date is 21 April 2025.

On 17 July 2020, Forte issued three-year domestic corporate bonds with a par value of RMB3,000,000,000 and an effective interest rate of 4.67% per annum. Interest is paid annually in arrears and the maturity date is 17 July 2023.

On 7 August 2020, Fosun High Technology issued five-year domestic corporate bonds with a par value of RMB1,900,000,000 and an effective interest rate of 4.56% per annum. Interest is paid annually in arrears and the maturity date is 7 August 2025.

On 27 August 2020, Yuyuan issued one-year domestic corporate bonds with a par value of RMB300,000,000 and an effective interest rate of 3.28% per annum. Interest is paid annually in arrears and the maturity date is 27 August 2021.

On 27 August 2020, Yuyuan issued five-year domestic corporate bonds with a par value of RMB1,300,000,000 and an effective interest rate of 3.8% per annum. Interest is paid annually in arrears and the maturity date is 27 August 2023.

On 2 November 2020, Fosun High Technology issued five-year domestic corporate bonds with a par value of RMB1,600,000,000 and an effective interest rate of 4.87% per annum. Interest is paid annually in arrears and the maturity date is 2 November 2025.

10. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(2) Corporate bonds and enterprise bonds *(Continued)*

On 2 February 2021, Fosun Pharma issued four-year domestic corporate bonds with a par value of RMB1,600,000,000 and an effective interest rate of 3.98% per annum. Interest is paid annually in arrears and the maturity date is 2 February 2025.

On 25 February 2021, Fosun High Technology issued four-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 5.39% per annum. Interest is paid annually in arrears and the maturity date is 25 February 2025.

On 25 February 2021, Fosun High Technology issued one-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 5.268% per annum. Interest is paid annually in arrears and the maturity date is 25 February 2022.

On 7 April 2021, Forte issued three-year domestic corporate bonds with a par value of RMB500,000,000 and an effective interest rate of 5.079% per annum. Interest is paid annually in arrears and the maturity date is 7 April 2024.

On 29 April 2021, Fosun High Technology issued one-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 5.80% per annum. Interest is paid annually in arrears and the maturity date is 29 April 2022.

On 1 June 2021, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB1,500,000,000 and an effective interest rate of 5.69% per annum. Interest is paid annually in arrears and the maturity date is 1 June 2023.

On 1 June 2021, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB500,000,000 and an effective interest rate of 5.392% per annum. Interest is paid annually in arrears and the maturity date is 1 June 2023.

On 4 June 2021, Fosun Insurance Portugal issued five-year domestic corporate bonds with a par value of EUR500,000,000 and an effective interest rate of 4.25% per annum. Interest is paid at the maturity date which is 4 September 2026.

(3) Private placement bond

On 3 April 2017, Tekapo TMK, a subsidiary of Fosun Management Holdings Limited, issued five-year private placement bonds with a par value of JPY700,000,000 and the effective interest rate is 2.02% per annum. Interest is paid quarterly in arrears since April 2017. The final maturity date is 3 April 2022.

On 25 January 2019, Forte issued three-year private placement bonds with a par value of RMB1,440,000,000 and the effective interest rate is 6.13% per annum. On 25 January 2021, Forte repaid in advance with a par value of RMB693,000,000. Interest is paid annually in arrears and the maturity date is 25 January 2022.

On 22 March 2019, Forte issued three-year private placement bonds with a par value of RMB1,000,000,000 and the effective interest rate is 5.99% per annum. On 22 March 2021, Forte repaid in advance with a par value of RMB611,000,000. Among these, private placement bonds with a par value of RMB219,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 22 March 2022.

On 20 March 2020, Forte issued three-year private placement bonds with a par value of RMB1,160,000,000 and the effective interest rate is 5.09% per annum. Interest is paid annually in arrears and the maturity date is 20 March 2023.

On 5 November 2020, Forte issued three-year private placement bonds with a par value of RMB800,000,000 and the effective interest rate is 5.22% per annum. Interest is paid annually in arrears and the maturity date is 5 November 2023.

(4) Senior notes

In 2014, Xingtao Assets Limited, a direct subsidiary of Fosun Industrial Holdings Limited, issued eight-year senior notes with an effective interest rate of 3.31%. Among these, senior notes with a par value of EUR202,200,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 9 October 2022.

On 17 August 2016, Wealth Driven Limited, a subsidiary of Fosun Industrial Holdings Limited, issued three tranches of seven-year senior notes with effective interest rates of 5.603%, 5.599% and 5.41%, respectively. Among these, senior notes with a par value of USD379,762,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 17 August 2023.

On 23 March 2017, Fortune Star (BVI) Limited ("Fortune Star"), a subsidiary of Fosun Industrial Holdings Limited, issued two tranches of five-year senior notes with effective interest rates of 5.33% and 5.04%, respectively. Among these, senior notes with a par value of USD889,128,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 23 March 2022.

On 29 January 2018, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of USD450,000,000 and an effective interest rate of 6.09%. Among these, senior notes with a par value of USD445,000,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 29 January 2023.

10. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(4) Senior notes *(Continued)*

On 2 July 2019, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued four-year senior notes with a par value of USD700,000,000 and an effective interest rate of 6.90%. Among these, senior notes with a par value of USD696,200,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 2 July 2023.

On 6 November 2019, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued three-and-half-year senior notes with a par value of EUR400,000,000 and an effective interest rate of 4.59%. Interest is paid semi-annually in arrears and the maturity date is 6 May 2023.

On 2 July 2020, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued four-year senior notes with a par value of USD600,000,000 and an effective interest rate of 6.99%. Interest is paid semi-annually in arrears and the maturity date is 2 July 2024.

On 19 October 2020, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of USD400,000,000 and an effective interest rate of 6.09%. Interest is paid semi-annually in arrears and the maturity date is 19 October 2025.

On 8 December 2020, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of USD300,000,000 and an effective interest rate of 5.56%. Interest is paid semi-annually in arrears and the maturity date is 19 October 2025.

On 27 January 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued six-year senior notes with a par value of USD500,000,000 and an effective interest rate of 5.23%. Interest is paid semi-annually in arrears and the maturity date is 27 January 2027.

On 18 May 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of USD500,000,000 and an effective interest rate of 5.20%. Interest is paid semi-annually in arrears and the maturity date is 18 May 2026.

(5) Medium-term notes

On 30 July 2018, Fosun High Technology issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 6.57% per annum. On 30 July 2020, Fosun High Technology repaid in advance with a par value of RMB70,000,000. Interest is paid annually in arrears and the maturity date is 30 July 2021.

On 7 September 2018, Fosun High Technology issued five-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 6.91% per annum. Among these, medium-term notes with a par value of RMB900,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 7 September 2023.

On 11 September 2018, Yuyuan issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 5.50% per annum. Interest is paid annually in arrears and the maturity date is 13 September 2021.

On 22 February 2019, Fosun High Technology issued five-year medium-term notes with a par value of RMB2,000,000,000 and an effective interest rate of 5.36% per annum. Among these, medium-term notes with a par value of RMB1,880,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 22 February 2024.

On 18 July 2019, Yuyuan issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.53% per annum. Interest is paid annually in arrears and the maturity date is 18 July 2022.

On 7 August 2019, Fosun High Technology issued five-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.89% per annum. Interest is paid annually in arrears and the maturity date is 7 August 2024.

On 5 September 2019, Fosun High Technology issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.81% per annum. Interest is paid annually in arrears and the maturity date is 5 September 2022.

On 25 October 2019, Fosun High Technology issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 5.00% per annum. Among these, medium-term notes with a par value of RMB920,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 25 October 2022.

On 15 January 2020, Fosun High Technology issued five-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.79% per annum. Among these, medium-term notes with a par value of RMB920,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 15 January 2025.

On 25 February 2020, Fosun High Technology issued five-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.31% per annum. Among these, medium-term notes with a par value of RMB960,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 25 February 2025.

On 22 July 2020, Yuyuan issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 3.94% per annum. Interest is paid annually in arrears and the maturity date is 21 July 2023.

10. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(5) Medium-term notes *(Continued)*

On 22 September 2020, Fosun High Technology issued five-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 5.01% per annum. Among these, medium-term notes with a par value of RMB890,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 22 September 2025.

On 24 November 2020, Fosun High Technology issued four-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 5.16% per annum. Among these, medium-term notes with a par value of RMB890,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 24 November 2024.

On 20 January 2021, Yuyuan issued three-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 4.00% per annum. Interest is paid annually in arrears and the maturity date is 20 January 2024.

On 27 January 2021, Fosun High Technology issued two-year medium-term notes with a par value of RMB1,000,000,000 and an effective interest rate of 5.709% per annum. Interest is paid annually in arrears and the maturity date is 27 January 2023.

On 13 April 2021, Yuyuan issued three-year medium-term notes with a par value of RMB1,300,000,000 and an effective interest rate of 4.12% per annum. Interest is paid annually in arrears and the maturity date is 13 April 2024.

(6) Super short-term commercial papers

On 7 January 2021, Fosun High Technology issued super short-term commercial papers with a par value of RMB2,000,000,000 and an effective interest rate 4.55% of per annum. Interest is payable at the maturity date which is 29 September 2021.

On 3 February 2021, Fosun High Technology issued super short-term commercial papers with a par value of RMB2,000,000,000 and an effective interest rate 4.6% of per annum. Interest is payable at the maturity date which is 29 October 2021.

On 15 March 2021, Fosun High Technology issued super short-term commercial papers with a par value of RMB1,650,000,000 and an effective interest rate 4.7% of per annum. Interest is payable at the maturity date which is 7 December 2021.

On 19 May 2021, Yuyuan issued super short-term commercial papers with a par value of RMB1,000,000,000 and an effective interest rate of 2.99% per annum. Interest is payable at the maturity date which is 17 August 2021.

On 25 May 2021, Fosun Pharma issued super short-term commercial papers with a par value of RMB1,500,000,000 and an effective interest rate 2.9% of per annum. Interest is payable at the maturity date which is 22 September 2021.

On 3 June 2021, Fosun High Technology issued super short-term commercial papers with a par value of RMB2,000,000,000 and an effective interest rate 4.98% of per annum. Interest is payable at the maturity date which is 28 January 2022.

(7) Other borrowings

In March 2020, Fosun Tourism Group ("FTG") issued asset-backed securities which were backed by the Atlantis Sanya hotel and water park as mortgage, and the 100% equity interest in Hainan Atlantis Commerce and Tourism Development Co., Ltd. and operating revenue of Atlantis Sanya as a pledge. The securities of the prioritized level of RMB6,800,000,000 was subscribed by various third party investors with a coupon rate of 5% and the securities of the subordinated level of RMB201,000,000 was subscribed by a subsidiary of the Group. The principal and interest of the prioritized level shall be repaid semi-annually in 48 instalments in 24 years. The coupon rates of the securities of the prioritized level are subject to adjustments FTG and the holders have the rights, at their option, to require FTG to redeem at an interval of every three years within the terms of the securities. The fund raised by FTG from the third party investors was recorded as other borrowings amounted to RMB6,779,277,000 as at 30 June 2021.

The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 0.0% to 9.8% (31 December 2020: 0.0% to 9.8%) per annum.

11. TRADE AND NOTES PAYABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables	16,165,623	15,885,833
Notes payable	2,555,888	2,410,671
	18,721,511	18,296,504

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	8,367,458	8,913,013
91 to 180 days	1,982,202	1,632,474
181 to 365 days	3,382,523	3,017,718
1 to 2 years	1,748,040	1,600,842
2 to 3 years	382,595	504,710
Over 3 years	302,805	217,076
	16,165,623	15,885,833

Trade and notes payables of the Group mainly arose from the Health segment and Happiness segment. The trade and notes payables are non-interest-bearing and are normally settled on terms of 30 to 60 days or based on the progress of construction of properties.

12. DIVIDENDS

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Final declared – HKD0.22 per ordinary share (2020: HKD0.27)	1,537,028	2,042,029

The proposed final dividend of HKD0.22 per ordinary share for the year ended 31 December 2020 was approved by the shareholders at the annual general meeting of the Company on 3 June 2021.

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2020: Nil).

13. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries

(i) Acquisition of subsidiaries accounted for as business combination

The major acquisition of subsidiaries accounted for as a business combination is set out as follows:

In May 2021, Roc Oil Company Pty Limited, a subsidiary of the Group, completed the acquisition of 100% equity interests in EOG Resources China Limited, at the consideration of USD126,336,000 (equivalent to RMB816,142,000). The acquisition was undertaken to further develop the oil and gas business under the Intelligent Manufacturing segment of the Group.

The Group has elected to measure the non-controlling interests in all the subsidiaries acquired during the Period at the non-controlling interest's proportionate share of the acquired subsidiary's identifiable net assets.

The provisional fair values of the identifiable assets and liabilities of all the acquired subsidiaries during the Period as at the dates of acquisition were as follows:

	Provisional fair value recognised on acquisition RMB '000 (Unaudited)
Property, plant and equipment (note 8)	28,436
Intangible assets	56,176
Right-of-use assets	115,822
Oil and gas assets	807,644
Cash and bank balances	34,754
Investment in associates	600
Deferred tax assets	17,172
Trade and notes receivables	78,388
Prepayments, other receivables and other assets	61,354
Inventories	29,007
Interest-bearing bank and other borrowings	(302)
Trade and notes payables	(126,487)
Accrued liabilities and other payables (excluding lease liabilities)	(48,995)
Due to related companies	(3,061)
Tax payable	(7,464)
Lease liabilities	(115,146)
Deferred tax liabilities	(71,198)
Total identifiable net assets at fair values	856,700
Non-controlling interests	(38,281)
Total net assets acquired	818,419
Goodwill on acquisition	106,298
	924,717

13. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(Continued)*

(a) Acquisition of subsidiaries *(Continued)*

(i) Acquisition of subsidiaries accounted for as business combination *(Continued)*

	RMB'000
Satisfied by:	
Cash	924,717

The fair values of the acquired trade and notes receivables and other receivables as at the date of acquisition approximate to their gross contractual amounts. None of these receivables are expected to be uncollectible.

None of the goodwill recognised is expected to be deductible for income tax purposes.

The assessments of the fair values of the identifiable assets and liabilities of certain subsidiary acquired are still undergoing, and the information of the fair values of the identifiable assets and liabilities were provisional at the date of the approval of this interim condensed consolidated financial information.

(ii) An analysis of the cash flows in respect of the acquisition of subsidiaries as set out in (i) above is as follows:

	RMB'000
Consideration settled by cash	(924,717)
Cash and cash equivalents acquired	34,754
Unpaid cash consideration as at 30 June 2021	1,922
Payment of unpaid cash consideration as at 31 December 2020	(12,900)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(900,941)

(iii) Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below :

	RMB'000 (Unaudited)
Gross carrying amount	
At 1 January 2021	25,393,337
Acquisition of subsidiaries	106,298
Exchange realignment	(327,228)
At 30 June 2021	25,172,407
Accumulated impairment losses	
At 1 January 2021	(914,186)
Impairment losses recognised during the Period	–
At 30 June 2021	(914,186)
Net book value	
At 1 January 2021	24,479,151
At 30 June 2021	24,258,221

Since the acquisitions, the acquired subsidiaries contributed RMB52,668,000 to the Group's revenue and a loss of RMB8,002,000 to the consolidated profit for the six months ended 30 June 2021.

Had the combinations taken place at the beginning of the period, the revenue and the profit of the Group for the period would have been RMB70,512,498,000 and RMB6,539,659,000, respectively.

13. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of subsidiaries

The total net assets disposed of in respect of the disposal of the subsidiaries during the year were as follows:

In January 2021, Xinghong Wenkong (Hangzhou) Investment Co., Ltd., a subsidiary of the Group, disposed 100% equity of its subsidiary to Pramerica Fosun Life Insurance Co., Ltd., a joint venture of the Group, at a disposal consideration of RMB348,050,000.

In April 2021, Yuyuan, a subsidiary of the Group, disposed its 60% equity interests in a subsidiary and lost its control of Shanghai Fudi Furong Industrial Development Co., Ltd. ("Furong") to third parties, at a consideration of RMB300,000,000. The Group can still exercise joint control over Furong and the remaining 40% equity interest in Furong was accounted for as an investment in joint venture in the consolidated financial statements.

In June 2021, Yuyuan, a subsidiary of the Group, disposed its 50% equity interests in a subsidiary and lost its control of Shanghai Fuhao Industrial Development Co., Ltd. ("Fuhao") to third parties, at a consideration of RMB1,000,000. The Group can still exercise joint control over Fuhao and the remaining 50% equity interest in Fuhao was accounted for as an investment in joint venture in the consolidated financial statements.

In June 2021, Pharma, a subsidiary of the Group, disposed its 75% equity interest in Taizhou Zhedong Medical Care Investment Management Co., Ltd. to third parties, at a consideration of RMB531,467,000.

13. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of subsidiaries *(Continued)*

The total net assets disposed of in respect of the disposal of the subsidiaries during the Period were as follows:

	30 June 2021 RMB'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment (note 8)	444,964
Intangible asset	610
Right-of-use assets	177,777
Completed properties for sale	311,624
Deferred tax assets	13,391
Properties under development	7,177,252
Investment properties	629,235
Cash and bank balances	760,193
Financial assets at fair value through profit or loss	4,000
Trade and notes receivables	21,781
Due from related parties	60,000
Prepayments, other receivables and other assets	193,003
Inventories	8,490
Deferred income	(66,761)
Interest-bearing bank and other borrowings	(553,060)
Trade and notes payables	(67,056)
Due to related parties	(6,714,072)
Accrued liabilities and other payables (excluding lease liabilities)	(381,638)
Tax payables	(141,101)
Contract liabilities	(643,206)
Deferred tax liabilities	(44,820)
Non-controlling interests	(237,196)
	953,410
Net gain on disposal of subsidiaries (note 5)	353,983
	1,307,393

13. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of subsidiaries *(Continued)*

An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	30 June 2021 RMB'000 (Unaudited)
Satisfied by:	
Cash	1,303,097
Investments in associates	4,296
	1,307,393
Cash consideration	1,303,097
Cash and bank balances disposed of	(760,193)
Receipt of unreceived cash consideration for disposal as at 31 December 2020	760,739
Cash consideration unreceived as at 30 June 2021	(435,800)
Net outflow of cash and cash equivalents included in cash flows from investing activities	867,843

14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	3,690,122	5,956,388
Properties under development	4,397,171	2,454,808
Investments	3,945,985	7,057,208
Oil and gas assets	92,379	157,250
	12,125,657	15,625,654

15. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
	Note	
Principal amount of the guaranteed bank loans of:		
Related parties	15,540	20,059
Third parties	12,541	33,165
Qualified buyers' mortgage loans	(1)	7,814,151
	7,503,214	7,867,375

15. CONTINGENT LIABILITIES *(Continued)*

- (1) As at 30 June 2021, the Group provided guarantees of approximately RMB7,475,133,000 (31 December 2020: RMB7,814,151,000) in favour of their customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to administrative procedures in the PRC. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made for the guarantees in the interim condensed consolidated financial statements.

- (2) Owing to the nature of the insurance business, the insurance and finance segment of the Group is involved in legal proceedings in the ordinary course of its activity, including being the plaintiff or the defendant in litigation and arbitration proceedings. Most of such legal proceedings involve claims concerning insurance policies, which are already provisioned, and some additional losses arising therefrom will be indemnified either by reinsurers or by other recoveries, like salvages. Although the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the Group believes that any resulting liabilities will not have a material adverse effect on its financial position or operating results.

16. RELATED PARTY TRANSACTIONS

- (1) During the Period, the Group had the following material transactions with related parties in addition to the transactions disclosed in note 10 and note 13:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Associates, joint ventures and other related parties:		
Sales of pharmaceutical products	2,161,217	1,758,608
Purchases of pharmaceutical products	245,087	141,984
Sales of other products	43,081	48,064
Purchases of other products	75,433	21,334
Rental income	10,092	9,112
Rental expense	2,169	2,219
Service income	130,132	188,758
Interest income	239,895	173,994
Interest expense	12,440	10,018
Service expense	8,157	13,736
Increase of right-of-use assets	164,559	155,123
Deposits from related companies	5,500,633	6,886,550
Bank loan guarantees provided	15,540	20,181
Loans to related parties	4,112,535	308,098

16. RELATED PARTY TRANSACTIONS *(Continued)*

- (1) During the Period, the Group had the following material transactions with related parties in addition to the transactions disclosed in note 10 and note 13: *(Continued)*

The bank loans were guaranteed by the related companies free of charge. The guarantees were given by the Group for bank loans of the related companies free of charge. In the opinion of the directors, except for guarantees received from and provided to related parties, all related party transactions as set out above were conducted on normal commercial terms.

In February 2021, Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun High-Tech", as the subscriber), a subsidiary of the Group, and Shanghai Xingye Investment Development Co., Ltd ("Xingye Investment", as the issuer), a company controlled by the ultimate controlling shareholder of Fosun High-Tech entered into a convertible bond investment agreement. Fosun Hi-Tech subscribed the convertible bonds issued by Xingye Investment in the principal amount for RMB2,800,000,000 with a consideration of RMB2,800,000,000. The convertible bonds could be converted into the equity interests of Xingye Investment in accordance with the terms and conditions of the agreement.

- (2) Compensation of key management personnel of the Company:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short-term employee benefits	26,899	29,022
Equity-settled share award scheme expense	16,270	11,331
Equity-settled share option scheme expense	13,067	17,351
Pension scheme contributions	245	87
	56,481	57,791

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Financial assets				
Equity investments designated at fair value through other comprehensive income	541,730	746,295	541,730	746,295
Debt investments at fair value through other comprehensive income	86,523,200	89,142,313	86,523,200	89,142,313
Debt investments at amortised cost	32,034,413	34,812,890	32,132,873	34,999,915
Financial assets at fair value through profit or loss	62,635,815	59,163,443	62,635,815	59,163,443
Loans and advances to customers (non-current portion)	325,914	361,491	341,032	377,773
Financial assets included in policyholder account assets in respect of unit-linked contracts	8,712,978	3,819,343	8,712,978	3,819,343
Derivative financial instruments	1,026,636	2,011,889	1,026,636	2,011,889
Associates measured at fair value through profit or loss	10,578,643	9,230,507	10,578,643	9,230,507
	202,379,329	199,288,171	202,492,907	199,491,478
Financial liabilities				
Interest-bearing bank and other borrowings(non-current portion)	147,115,862	140,463,287	152,129,742	145,023,742
Financial liabilities at fair value through profit or loss	3,069,327	2,136,246	3,069,327	2,136,246
Financial liabilities included in accrued liabilities and other payables	71,200	73,503	71,200	73,503
Financial liabilities included in other long term payables	2,407,421	2,483,880	2,407,421	2,483,880
Deposits from customers (non-current portion)	34,972	69,570	35,894	70,262
Due to banks and other financial institutions (non-current portion)	904,281	944,141	903,406	944,322
Financial liabilities for unit-linked contracts	8,712,978	3,819,343	8,712,978	3,819,343
Due to related companies and the holding company (non-current portion)	3,133,769	3,923,453	3,133,769	3,830,512
Derivative financial instruments	2,881,114	2,693,157	2,881,114	2,693,157
	168,330,924	156,606,580	173,344,851	161,074,967

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Management has assessed that the fair values of cash and bank balances, term deposits, finance lease receivables, placements with and loans to banks and other financial institutions, accounts payable to brokerage clients, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, investment contract liabilities, placements from banks and other financial institutions, amounts due from related companies, the current portion of loans and advances to customers, interest-bearing bank and other borrowings, deposits from customers, amounts due to related companies and the holding company and amounts due to banks and other financial institutions approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial liabilities included in other long term payables, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for financial liabilities included in other long term payables, the non-current portion of interest-bearing bank and other borrowings as at 30 June 2021 was assessed to be insignificant. The fair values of listed bonds and senior notes are based on quoted market prices.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include commodity derivative contracts, forward currency contracts, and currency and interest rate swaps. As at 30 June 2021, the fair values of commodity derivative contracts were measured using quoted market prices of commodity future contracts, while the fair values of the forward currency contracts and the fair values of currency and interest rate swaps were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of the commodity derivative contracts, forward currency contracts, and currency and interest rate swaps are the same as their fair values.

The fair values of listed equity investments without a lock-up period are based on quoted market prices. The fair values of listed equity investments with a lock-up period have been estimated based on assumptions that are supported by observable market prices and discount for lack of marketability. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required by fair value measurement are observable, the instruments are included in level 2. If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

For Level 3 financial assets, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, income approach etc. The fair value measurement of these financial instruments may involve unobservable inputs such as credit spread and liquidity discount. Fair value change resulting from changes in the unobservable inputs was not significant. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2021:

Unobservable inputs and sensitivity analysis for Level 3 assets

The financial assets measured at fair value held by the Group which were classified in Level 3 primarily correspond to debt securities, investment funds and certain unlisted equity securities not quoted in an active market.

The fair value of debt securities, which consist of public and corporate bonds, is determined using broker quotes that cannot be corroborated with observable market transactions. Significant unobservable inputs for these bonds would include proprietary cash flow models and issuer spreads, which are comprised of credit, liquidity, and other security-specific features of the bonds. An increase (decrease) in these issuer spreads would result in a lower (higher) fair value.

The fair values of investment funds classified in Level 3 are based on net asset value (NAV) reports provided by the management of such funds.

For certain unlisted equity securities, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, etc., which requires the Group to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to earnings multiples and price to book multiples, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. An increase (decrease) in multiples would result in a higher (lower) fair value. An increase (decrease) in liquidity discount would result in a lower (higher) fair value. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

Unobservable inputs and sensitivity analysis for Level 3 liabilities

Significant unobservable valuation inputs for the share redemption option granted to non-controlling shareholders of subsidiaries included in accrued liabilities and other payables is EBITDA. An increase (decrease) in EBITDA would result in a higher (lower) carrying amounts of the liabilities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Level 1: Fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value:

As at 30 June 2021 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	438,617	31,276	71,837	541,730
Debt investments at fair value through other comprehensive income	68,982,748	16,231,431	1,309,021	86,523,200
Financial assets at fair value through profit or loss	27,335,700	23,286,206	12,013,909	62,635,815
Derivative financial instruments	109,459	904,562	12,615	1,026,636
Financial assets included in policyholder account assets in respect of unit-linked contracts	5,512,620	2,527,872	672,486	8,712,978
Associates measured at fair value through profit or loss	442,286	7,830,394	2,305,963	10,578,643
	102,821,430	50,811,741	16,385,831	170,019,002

As at 31 December 2020 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	611,646	47,548	87,101	746,295
Debt investments at fair value through other comprehensive income	81,127,119	7,931,235	83,959	89,142,313
Financial assets at fair value through profit or loss	26,265,450	23,864,765	9,033,228	59,163,443
Derivative financial instruments	190,274	1,816,272	5,343	2,011,889
Financial assets included in policyholder account assets in respect of unit-linked contracts	3,697,943	87,812	33,588	3,819,343
Associates measured at fair value through profit or loss	570,919	6,402,840	2,256,748	9,230,507
	112,463,351	40,150,472	11,499,967	164,113,790

During the Period, the financial assets with a value of RMB305,429,000 in Level 2 as at 31 December 2020 were transferred out to Level 1 due to the end of the lock-up period for these equity investments in 2021 (Six months ended 30 June 2020: Nil).

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: *(Continued)*

The movements in fair value measurements within Level 3 during the Period are as follows:

	Equity investments designated at fair value through other comprehensive income RMB'000	Debt investments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets included in policyholder account assets in respect of unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Associates measured at fair value through profit or loss RMB'000	Total RMB'000
As at 31 December 2020	87,101	83,959	9,033,228	33,588	5,343	2,256,748	11,499,967
Total gains/(losses) recognised in the consolidated statement of profit or loss included in other gains	-	1,746	20,775	(2,033)	278	301,276	322,042
Total (losses)/gains recognised in other comprehensive income	(15,675)	(83,481)	49,293	-	-	-	(49,863)
Addition	10	1,354,539	4,376,912	667,210	7,912	-	6,406,583
Disposals	-	(32,721)	(1,164,728)	(15,243)	-	-	(1,212,692)
Exchange realignment	401	(15,021)	(247,168)	(11,036)	(918)	-	(273,742)
Transfers*	-	-	(54,403)	-	-	(252,061)	(306,464)
As at 30 June 2021	71,837	1,309,021	12,013,909	672,486	12,615	2,305,963	16,385,831

* During the Period, the financial assets with a fair value of RMB515,028,000 in Level 3 as at 31 December 2020 were transferred out, and a fair value of RMB208,564,000 in Level 2 as at 31 December 2020 were transferred in. The transfer was based on the significant input used in the fair value measurement as a whole.

The movements in fair value measurements within Level 3 during the last Period are as follows:

	Equity investments designated at fair value through other comprehensive income RMB'000	Debt investments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets included in policyholder account assets in respect of unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Associates measured at fair value through profit or loss RMB'000	Total RMB'000
As at 31 December 2019	338,484	68,173	8,362,174	11,134	273	1,298,813	10,079,051
Total gains/(loss) recognised in the consolidated statement of profit or loss included in other gains	-	(204)	(168,608)	(748)	213	353,086	183,739
Total losses recognised in other comprehensive income	(93,404)	(54,605)	-	-	-	-	(148,009)
Addition	30	119,665	1,323,213	2,172	2,228	285,000	1,732,308
Disposals	-	(47,003)	(1,556,040)	-	-	(131,965)	(1,735,008)
Exchange realignment	3,894	22,034	280,367	248	74	1,009	307,626
Transfers*	-	-	(143,463)	-	-	(214,806)	(358,269)
As at 30 June 2020	249,004	108,060	8,097,643	12,806	2,788	1,591,137	10,061,438

* During the Period, the financial assets with a fair value of RMB678,934,000 in Level 3 as at 31 December 2019 were transferred out, and a fair value of RMB320,665,000 in Level 2 as at 31 December 2019 were transferred in. The transfer was based on the significant input used in the fair value measurement as a whole.

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets for which fair values are disclosed:

As at 30 June 2021 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Loans and advances to customers (non-current portion)	–	–	341,032	341,032
Debt investments at amortised cost	24,638,380	6,926,484	568,009	32,132,873
	24,638,380	6,926,484	909,041	32,473,905

As at 31 December 2020 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Loans and advances to customers (non-current portion)	–	–	377,773	377,773
Debt investments at amortised cost	28,530,565	6,210,397	258,953	34,999,915
	28,530,565	6,210,397	636,726	35,377,688

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value:

As at 30 June 2021 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial liabilities for unit-linked contracts	5,512,620	2,527,872	672,486	8,712,978
Financial liabilities included in other payables and accruals	–	–	71,200	71,200
Financial liabilities at fair value through profit or loss	3,069,327	–	–	3,069,327
Derivative financial instruments	445,294	1,766,867	668,953	2,881,114
	9,027,241	4,294,739	1,412,639	14,734,619

As at 31 December 2020 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial liabilities for unit-linked contracts	3,697,943	87,812	33,588	3,819,343
Financial liabilities included in other payables and accruals	–	–	73,503	73,503
Financial liabilities at fair value through profit or loss	2,134,246	2,000	–	2,136,246
Derivative financial instruments	17,175	2,668,006	7,976	2,693,157
	5,849,364	2,757,818	115,067	8,722,249

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value: *(Continued)*

The movements in fair value measurements in Level 3 during the Period are as follows:

As at 30 June 2021 (unaudited)

	Financial liabilities included in other payables and accruals RMB'000	Financial liabilities for unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Total RMB'000
At 1 January	73,503	33,588	7,976	115,067
Total gains recognised in the consolidated statement of profit or loss included in other income	–	(2,033)	–	(2,033)
Total gains recognised in other reserve	(2,609)	–	–	(2,609)
Addition	–	667,210	660,977	1,328,187
Decrease	–	(15,243)	–	(15,243)
Exchange realignment	306	(11,036)	–	(10,730)
At 30 June	71,200	672,486	668,953	1,412,639

The movements in fair value measurements in Level 3 during the last Period are as follows:

As at 30 June 2020 (unaudited)

	Financial liabilities included in other payables and accruals RMB'000	Financial liabilities for unit-linked contracts RMB'000	Financial liabilities included in other long term payables RMB'000	Derivative financial instruments RMB'000	Total RMB'000
At 1 January	343,132	11,134	2,608,958	3,878	2,967,102
Total gains recognised in the consolidated statement of profit or loss included in other income	–	(748)	–	–	(748)
Total losses recognised in other reserve	–	–	35,026	–	35,026
Addition	–	2,172	–	3,404	5,576
Decrease	(307,936)	–	–	(2,442)	(310,378)
Exchange realignment	–	248	–	–	248
At 30 June	35,196	12,806	2,643,984	4,840	2,696,826

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities for which fair values are disclosed:

As at 30 June 2021 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings (non-current portion)	58,571,110	93,558,632	–	152,129,742
Deposits from customers (non-current portion)	–	–	35,894	35,894
Due to banks and other financial institutions (non-current portion)	–	–	903,406	903,406
Due to related companies and the holding company (non-current portion)	–	–	3,133,769	3,133,769
Financial liabilities included in other long term payables	–	1,887,674	519,747	2,407,421
	58,571,110	95,446,306	4,592,816	158,610,232

As at 31 December 2020 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings (non-current portion)	55,463,554	89,560,188	–	145,023,742
Deposits from customers (non-current portion)	–	–	70,262	70,262
Due to related companies and holding companies (non-current portion)	–	–	3,830,512	3,830,512
Interbank deposit (non-current portion)	–	–	944,322	944,322
Financial liabilities included in other long term payables	–	1,924,111	559,769	2,483,880
	55,463,554	91,484,299	5,404,865	152,352,718

18. EVENT AFTER THE REPORTING PERIOD

On 2 July 2021, Fortune Star (BVI) Limited, an indirect subsidiary of the Company, issued 5.25 year senior notes with a par value of EUR500 million (equivalent to RMB3,843 million) at a coupon rate of 3.95% per annum.

19. COMPARATIVE AMOUNTS

As stated in note 2, the comparative segment information has been restated to reflect the change of the reporting segments of the Group.

STATUTORY DISCLOSURES

INTERIM DIVIDEND

The Board has resolved not to declare or distribute any interim dividend for the Reporting Period.

SHARE AWARD SCHEME

The share award scheme was adopted by the Company on 25 March 2015 (the "**Share Award Scheme**"), unless otherwise defined, the capitalized terms used herein shall have the same meanings as set out in the circular of the Company dated 27 April 2021.

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 the eligible persons to make contributions to the long-term growth and profits of the Group.

On 31 March 2021, the Board resolved to award an aggregate of 12,790,000 award shares (the "**2021 Award Shares**") to 88 Selected Participants under the Share Award Scheme. 2021 Award Shares had been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 3 June 2021. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the 2021 Award Shares shall be transferred from the trustee, Computershare Hong Kong Trustees Limited (the "**Trustee**") to the Selected Participants upon expiry of the respective vesting period. As at the end of the Reporting Period, 2021 Award Shares have been fully issued to the Trustee.

STATUTORY DISCLOSURES

Details of the movement of the Award Shares during the Reporting Period were as follows :

Granted during the Reporting Period				Changed during the Reporting Period			
Name of grantee	Date of grant	Vesting period ⁽¹⁾	Number of granted Shares	Outstanding	Vested	Lapsed/ cancelled	Outstanding
				as at 1 January 2021	during the Reporting Period	during the Reporting Period	as at 30 June 2021
Chen Qiyu	31 March 2021	31 March 2022 to 31 March 2024	1,920,000	2,207,150	913,050	-	3,214,100
Xu Xiaoliang	31 March 2021	31 March 2022 to 31 March 2024	1,920,000	2,207,150	913,050	-	3,214,100
Qin Xuetang	31 March 2021	31 March 2022 to 31 March 2024	720,000	618,300	315,250	-	1,023,050
Gong Ping	31 March 2021	31 March 2022 to 31 March 2024	470,000	514,050	249,900	-	734,150
Zhuang Yuemin	31 March 2021	31 March 2022 to 31 March 2024	25,000	-	-	-	25,000
Yu Qingfei	31 March 2021	31 March 2022 to 31 March 2024	25,000	-	-	-	25,000
Zhang Shengman	31 March 2021	31 March 2022 to 31 March 2024	25,000	50,250	25,000	-	50,250
Zhang Huaqiao	31 March 2021	31 March 2022 to 31 March 2024	25,000	50,250	25,000	-	50,250
David T. Zhang	31 March 2021	31 March 2022 to 31 March 2024	25,000	50,250	25,000	-	50,250
Lee Kai-Fu	31 March 2021	31 March 2022 to 31 March 2024	25,000	50,250	25,000	-	50,250
Tsang King Suen Katherine	31 March 2021	31 March 2022 to 31 March 2024	25,000	-	-	-	25,000
Sub-total			5,205,000	5,747,650	2,491,250	-	8,461,400
Employees	31 March 2021	31 March 2022 to 31 March 2024	7,585,000	7,671,100	3,342,270	281,450	11,632,380
Total			12,790,000	13,418,750	5,833,520	281,450	20,093,780

Note:

- (1) Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the Award Shares which were granted on 31 March 2021 shall be transferred from the Trustee to the Selected Participants upon expiry of the following vesting periods:

Percentage of Award Shares to be Vested	Vesting Date
33%	31 March 2022
33%	31 March 2023
34%	31 March 2024

STATUTORY DISCLOSURES

SHARE OPTION SCHEMES

The Company adopted a share option scheme on 19 June 2007 and it was expired on 18 June 2017 (the “**Old Share Option Scheme**”). All outstanding options granted under the Old Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the Old Share Option Scheme. The Company adopted a new share option scheme at the general meeting of the Company held on 6 June 2017 (the “**New Share Option Scheme**”). The purpose of the New Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interest of the Group.

The Board announced that on 31 March 2021, subject to the acceptance of relevant grantees, the Company has decided to grant 39,910,000 share options to subscribe for an aggregate of 39,910,000 Shares under the New Share Option Scheme. As at the end of the Reporting Period, the Company has granted accumulated 366,361,000 options to subscribe for an aggregate of 366,361,000 Shares under the Old Share Option Scheme and the New Share Option Scheme, and 244,984,100 effective options under the Old Share Option Scheme and the New Share Option Scheme were outstanding except for the exercised, expired, lapsed or cancelled options. The aggregate fair value of the share options granted during the Reporting Period amounted to approximately HKD113,914,000. The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted, as well as the factors such as risk-free interest rate, share price, volatility, expected life of options and dividend. The fair value of options are subject to a number of assumptions and limitations that may be subjective and uncertain.

The following table discloses movements in the Company’s outstanding options under the Old Share Option Scheme and the New Share Option Scheme during the Reporting Period.

Name of grantee	Date of grant of the options	On 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period ⁷	Number of the options		On 30 June 2021	Exercise period of the options	Exercise price of the options per Share (HKD)
					Expired/ lapsed/ cancelled during the Reporting Period	On 30 June 2021			
Chen Qiyu	8 January 2016	10,000,000	–	–	1,000,000	9,000,000	8 January 2021 to 7 January 2026 ¹	11.53	
	4 May 2017	1,500,000	–	–	–	1,500,000	4 May 2022 to 3 May 2027 ¹	11.75	
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2023 to 31 March 2030 ⁶	8.79	
	31 March 2021	–	1,500,000	–	–	1,500,000	31 March 2024 to 30 March 2031 ⁶	10.91	
Xu Xiaoliang	8 January 2016	10,000,000	–	–	1,000,000	9,000,000	8 January 2021 to 7 January 2026 ¹	11.53	
	4 May 2017	1,500,000	–	–	–	1,500,000	4 May 2022 to 3 May 2027 ¹	11.75	
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2023 to 31 March 2030 ⁶	8.79	
	31 March 2021	–	1,500,000	–	–	1,500,000	31 March 2024 to 30 March 2031 ⁶	10.91	
Qin Xuetao	8 January 2016	10,000,000	–	–	1,000,000	9,000,000	8 January 2021 to 7 January 2026 ¹	11.53	
	31 March 2021	–	1,000,000	–	–	1,000,000	31 March 2024 to 30 March 2031 ⁶	10.91	

STATUTORY DISCLOSURES

Name of grantee	Date of grant of the options	On 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period ⁷	Number of the options		On 30 June 2021	Exercise period of the options	Exercise price of the options per Share (HKD)
					Expired/ lapsed/ cancelled during the Reporting Period	On 30 June 2021			
Gong Ping	8 January 2016	4,000,000	-	-	400,000	3,600,000	8 January 2021 to 7 January 2026 ¹	11.53	
	4 May 2017	4,900,000	-	-	-	4,900,000	4 May 2022 to 3 May 2027 ¹	11.75	
	31 March 2021	-	1,000,000	-	-	1,000,000	31 March 2024 to 30 March 2031 ⁶	10.91	
Other Employees	8 January 2016	40,000,000	-	-	3,300,000	36,700,000	8 January 2021 to 7 January 2026 ¹	11.53	
	4 May 2017	33,300,000	-	-	3,100,000	30,200,000	4 May 2022 to 3 May 2027 ¹	11.75	
	28 March 2018	14,238,600	-	-	1,342,000	12,896,600	28 March 2019 to 27 March 2028 ^{2,3}	17.58	
	27 March 2019	71,300,000	-	-	3,927,500	67,372,500	27 March 2020 to 26 March 2029 ^{2,4}	12.86	
	28 August 2019	1,515,000	-	65,000	-	1,450,000	28 August 2020 to 27 August 2029 ⁵	9.95	
	1 April 2020	16,210,000	-	345,000	552,500	15,312,500	1 April 2021 to 31 March 2030 ^{4,6}	8.79	
	28 August 2020	90,000	-	-	-	90,000	28 August 2021 to 27 August 2030 ⁴	8.86	
31 March 2021	-	34,910,000	-	447,500	34,462,500	31 March 2022 to 30 March 2031 ^{4,6}	10.91		
Total		221,553,600	39,910,000	410,000	16,069,500	244,984,100			

Notes:

- The options under the Old Share Option Scheme are exercisable by each grantee in three tranches as set out below:
 - up to the first 20% of the options, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10th year period commencing from the date of the grant of options (the "Old Option Period");
 - up to a further 30% of the options, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Old Option Period; and
 - in respect of the remaining 50% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Old Option Period.
- The options, being granted to the global core management staff under the New Share Option Scheme are exercisable in three tranches as set out below:
 - up to the first 20% of the options, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10th year period commencing from the date of grant of the options (the "New Option Period");
 - up to a further 30% of the options, at any time from the date falling on the sixth anniversary of the date of grant till the end of the New Option Period; and
 - in respect of the remaining 50% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the New Option Period.

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3. The options, being granted to the outstanding employees of the Group under the New Share Option Scheme are exercisable in five tranches as set out below:
 - (a) up to the first 20% of the options, at any time from the date falling on the first anniversary of the date of grant till the end of the New Option Period;
 - (b) up to a further 20% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the New Option Period;
 - (c) up to a further 20% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the New Option Period;
 - (d) up to a further 20% of the options, at any time from the date falling on the fourth anniversary of the date of grant till the end of the New Option Period; and
 - (e) in respect of the remaining 20% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the New Option Period.
4. The options, being granted to the outstanding employees of the Group under the New Share Option Scheme are exercisable in four tranches as set out below:
 - (a) up to the first 25% of the options, at any time from the date falling on the first anniversary of the date of grant till the end of the New Option Period;
 - (b) up to a further 25% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the New Option Period;
 - (c) up to a further 25% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the New Option Period; and
 - (d) in respect of the remaining 25% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the New Option Period.
5. The options, being granted to the newly-joined management staff and the intelligent technology professionals of the Group are exercisable as set out in either one of the exercising schedules below:

Type I exercising schedule

- (a) up to the first 25% of the options, at any time from the date falling on the first anniversary of the date of grant till the end of the New Option Period;
- (b) up to a further 25% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the New Option Period;
- (c) up to a further 25% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the New Option Period; and
- (d) in respect of the remaining 25% of the options, which, for the avoidance of doubt, comprise those Options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the New Option Period.

Type II exercising schedule

- (a) up to the first 50% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the New Option Period;
- (b) up to a further 25% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the New Option Period; and
- (c) in respect of the remaining 25% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the second anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the New Option Period.

6. The options, being granted to the global core management staff under the New Share Option Scheme are exercisable in three tranches as set out below:
 - (a) up to the first 20% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the New Option Period;
 - (b) up to a further 30% of the options, at any time from the date falling on the fourth anniversary of the date of grant till the end of the New Option Period; and
 - (c) in respect of the remaining 50% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the New Option Period.
7. The weighted average closing price of the Shares immediately before the dates on which options were exercised during the Reporting Period was HKD11.62.

The exercise of the options by the grantees is conditional upon the fulfilment of certain performance targets relating to the Group (the "**Performance Target**"). The Performance Target has been determined by the Board and specified in the respective grant letters of each grantee. Unless the Performance Target is met, the options granted to the grantees will lapse.

STATUTORY DISCLOSURES

FTG PRE-IPO SHARE OPTION SCHEME

FTG adopted the FTG pre-ipo share option scheme (the "**FTG Pre-IPO Share Option Scheme**") on 29 December 2017 and the shareholders of the Company approved the said scheme on 23 February 2018. The following detailed information in relation to the FTG Pre-IPO Share Option Scheme is set out in the circular of the Company dated 1 February 2018 (the "**FTG Pre-IPO Share Option Scheme Circular**"). Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the FTG Pre-IPO Share Option Scheme Circular. The major terms of the FTG Pre-IPO Share Option Scheme are as follows:

- 1) The purpose of the FTG Pre-IPO Share Option Scheme is to provide the participants with the opportunity to acquire proprietary interests in FTG and to encourage the participants to work towards enhancing the value of FTG and its shares for the benefit of FTG and the shareholder(s) as a whole.
- 2) The participants of the FTG Pre-IPO Share Option Scheme include (i) any full-time employee(s) of FTG or of any of its subsidiaries; (ii) directors of FTG or of any of its subsidiaries; and (iii) any person(s) whether or not an employee(s) or officer(s) of FTG or of any of its subsidiaries who the board of FTG, or the duly authorized committee thereof, considers to be able to enhance the operations or value of FTG and its subsidiaries (the "**FTG Group**").
- 3) The total number of the shares which may be issued upon exercise of all options (the "**Pre-IPO Option(s)**") granted under the FTG Pre-IPO Share Option Scheme and other share option schemes of FTG shall not exceed 10% of the number of the relevant class of the shares in issue as of the adoption date of the FTG Pre-IPO Share Option Scheme on 29 December 2017 (being 100,000,000 shares). 30,738,997 and 13,816,520 Pre-IPO Options were granted on 23 February 2018 and 19 November 2018, respectively. No further Pre-IPO Options have or will be granted under the FTG Pre-IPO Share Option Scheme subsequent to the above grant dates. As of 30 June 2021, the number of underlying shares pursuant to the outstanding Pre-IPO Options (excluding those lapsed/cancelled/expired) amounts to 34,886,767 shares, representing approximately 2.82% of the total issued shares of FTG as of 30 June 2021.
- 4) The total number of the shares which may be issued and to be issued upon exercise of the Pre-IPO Options granted and to be granted to each participant or grantee (as the case may be) (including both redeemed and outstanding Pre-IPO Options) in any 12-month period shall not exceed 1.0% of the number of the relevant class of the shares in issue as of the proposed date of grant; unless any further grant of Pre-IPO Options (including redeemed, cancelled and outstanding Pre-IPO Options) to the participant or the grantee exceeding the 1.0% limit is made in compliance with the requirements under the Listing Rules (including the prior approval by the shareholders of the Company).
- 5) The exercise period of any Pre-IPO Options granted under the FTG Pre-IPO Share Option Scheme must not be more than ten years commencing on the date of grant.
- 6) The exercise price for the grant of Pre-IPO Options shall be determined by the board of FTG or the duly authorized committee thereof from time to time. The offer of a grant of Pre-IPO Options may be accepted within 5 business days from the date of offer, upon payment of a nominal consideration of RMB1 (or any other amount as determined by the board of FTG) in total by the grantee.
- 7) The exercise prices of the Pre-IPO Options granted on 23 February 2018 (in relation to 30,738,997 Pre-IPO Options) and on 19 November 2018 (in relation to 13,816,520 Pre-IPO Options) under the FTG Pre-IPO Share Option Scheme are HKD8.43 per share and the offer price of the global offering of HKD15.60 per share, respectively. The exercise price of Pre-IPO Options shall be determined solely by the board of FTG, or the duly authorized committee thereof, with reference to factors which may include business performance and value of FTG and individual performance of the relevant grantee. No option may be granted at an exercise price lower than the new issue price (if any) either after FTG has resolved to seek a listing or during the period commencing six months before the lodgment of an application with the relevant stock exchange for the listing up to the date of listing. In such event, the board of FTG, or the duly authorized committee thereof, shall have the discretion to adjust the exercise price of options granted during such period to not lower than the new issue price (if any). For the avoidance of doubt, no further Pre-IPO Options have or will be granted under the FTG Pre-IPO Share Option Scheme subsequent to the above grant dates.

STATUTORY DISCLOSURES

- 8) The board of FTG, or the duly authorized committee thereof, shall determine and inform the grantee of the option period, during which a grantee may exercise the Pre-IPO Options in accordance with the terms of the FTG Pre-IPO Share Option Scheme, provided that in no event shall such period be more than ten (10) years from the date of grant. A Pre-IPO Option shall be vested after meeting the vesting period and vesting conditions. The board of FTG, or the duly authorized committee thereof, shall determine and inform the grantee of the option period, and determine other terms and conditions relating to the grant of Pre-IPO Options including (i) any minimum periods for which a Pre-IPO Option must be held; and/or (ii) minimum performance targets or other criteria (including a vesting period) that must be reached before the Pre-IPO Options can be vested/exercised in whole or in part; and/or (iii) such other terms as may be imposed at the discretion of the board of FTG, or the duly authorized committee thereof, either on a case-by-case basis or generally which in the opinion thereof are fair and reasonable but not being inconsistent with the rules and procedures applicable to the FTG Pre-IPO Share Option Scheme or the relevant requirements under applicable laws or the Listing Rules.
- 9) Subject to the termination provisions under the FTG Pre-IPO Share Option Scheme, under no circumstance shall the life of the FTG Pre-IPO Share Option Scheme be more than 10 years from its adoption date. No further Pre-IPO Options shall be granted after the date immediately preceding the date of listing of the shares on the Hong Kong Stock Exchange, but the provision of the FTG Pre-IPO Share Option Scheme shall remain in full force and effect in all other respects.

On 14 December 2018, the shares of FTG were listed and traded on the Main Board of the Hong Kong Stock Exchange, since then, no further Pre-IPO Option has been or will be granted under the FTG Pre-IPO Share Option Scheme.

The following table discloses movements in the Pre-IPO Options under the FTG Pre-IPO Share Option Scheme during the Reporting Period.

Name of Grantee	Date of grant of the Pre-IPO Options	As of 1 January 2021	Number of the Pre-IPO Options			As of 30 June 2021	Vesting period of the Pre-IPO Options	Exercise price of the Pre-IPO Options per share (HKD)
			Granted during the Reporting Period	Exercised during the Reporting Period ⁽⁴⁾	Expired/lapsed/cancelled during the Reporting Period			
Qian Jiannong	23 February 2018	20,000,000	-	-	-	20,000,000	22 February 2019 to 22 February 2026 ⁽¹⁾	8.43
Xu Bingbin ⁽⁴⁾	23 February 2018	775,125	-	-	-	775,125	28 December 2018 to 28 December 2021 ⁽²⁾	8.43
	19 November 2018	742,500	-	-	-	742,500	18 November 2019 to 18 November 2022 ⁽³⁾	15.60
Wang Wenping ⁽⁵⁾	23 February 2018	536,625	-	150,000	134,156	252,469	28 December 2018 to 28 December 2021 ⁽²⁾	8.43
	19 November 2018	810,000	-	-	405,000	405,000	18 November 2019 to 18 November 2022 ⁽³⁾	15.60
Other employees of FTG Group	23 February 2018 and 19 November 2018	15,394,083	-	1,340,035	1,342,375	12,711,673	28 December 2018 to 28 December 2021 ⁽²⁾ and 18 November 2019 to 18 November 2022 ⁽³⁾	8.43 and 15.60
Total		38,258,333	-	1,490,035	1,881,531	34,886,767		

STATUTORY DISCLOSURES

Notes:

1. The Pre-IPO Options, being granted to Mr. Qian Jiannong on 23 February 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
20%	22 February 2019
20%	22 February 2020
20%	22 February 2021
20%	22 February 2022
5%	22 February 2023
5%	22 February 2024
5%	22 February 2025
5%	22 February 2026

2. The Pre-IPO Options, being granted to Mr. Xu Bingbin, Mr. Wang Wenping and other employees of FTG Group on 23 February 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
25%	28 December 2018
25%	28 December 2019
25%	28 December 2020
25%	28 December 2021

3. The Pre-IPO Options, being granted to Mr. Xu Bingbin, Mr. Wang Wenping and other employees of FTG Group on 19 November 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
25%	18 November 2019
25%	18 November 2020
25%	18 November 2021
25%	18 November 2022

4. Mr. Xu Bingbin was appointed as an executive director of FTG with effect from 15 March 2021.
5. Mr. Wang Wenping resigned as an executive director of FTG with effect from 25 April 2021.
6. The weighted average closing price of the shares of FTG immediately before the dates on which options were exercised during the Reporting Period was HKD12.95.
7. No share option (unit) was granted to the suppliers of goods or services under the FTG Pre-IPO Share Option Scheme.

The exercise of the Pre-IPO Options by the grantees shall be subject to and conditional upon the fulfillment of certain performance targets as the board of FTG, or the duly authorized committee thereof, may determine at its sole discretion in accordance with the FTG Pre-IPO Share Option Scheme.

STATUTORY DISCLOSURES

FTG 2019 SHARE OPTION SCHEME

FTG adopted the FTG 2019 Share Option Scheme (the “**FTG 2019 Share Option Scheme**”) on 19 August 2019 and the shareholders of the Company and FTG approved the said scheme on 30 October 2019 and 27 November 2019, respectively. The following detailed information in relation to the FTG 2019 Share Option Scheme is set out in the circular of the Company dated 8 October 2019 (the “**FTG 2019 Share Option Scheme Circular**”). Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the FTG 2019 Share Option Scheme Circular. The major terms of the FTG 2019 Share Option Scheme are as follows:

- 1) The purpose of the FTG 2019 Share Option Scheme is to enable the FTG Group to grant Post-IPO Options (as defined below) to the eligible participants as incentives or rewards for their contribution to the FTG Group. The directors of FTG believe the FTG 2019 Share Option Scheme will enable the FTG Group to reward the employees, the directors of FTG and other eligible participants for their contributions to the FTG Group.
- 2) The participants of the FTG 2019 Share Option Scheme include (i) any directors (including executive directors, non-executive directors and independent non-executive directors of FTG, where applicable) and employees of any member of the FTG Group; and (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the FTG Group.
- 3) The maximum number of the shares which may be issued in respect of which options (the “**Post-IPO Option(s)**”) may be granted under the FTG 2019 Share Option Scheme shall not exceed 5.0% of the shares in issue on the adoption date of the FTG 2019 Share Option Scheme (representing 61,752,269 shares of FTG), and, when aggregated with the maximum number of shares which may be issued in respect of any options to be granted under any other share option scheme of FTG shall not exceed 10.0% of the shares in issue on the adoption date of the FTG 2019 Share Option Scheme. As of 30 June 2021, the number of underlying shares pursuant to the outstanding Post-IPO Options (excluding those lapsed/cancelled/expired) amounts to 3,994,000 shares of FTG, representing approximately 0.32% of the total issued shares of FTG as of 30 June 2021.
- 4) The total number of shares issued and to be issued upon exercise of the Post-IPO Options granted and to be granted under the FTG 2019 Share Option Scheme and any other share option scheme of the FTG Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the issued share capital of FTG for the time being (the “**Individual Limit**”). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular containing the requisite information in accordance with the note to Rule 17.03(4) of the Listing Rules to be sent to the shareholders of the Company and FTG prior to respective general meetings with such participant and his/her close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before approvals of the shareholders of the Company and FTG and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.
- 5) The FTG 2019 Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date. A Post-IPO Option may be exercised in accordance with the terms of the FTG 2019 Share Option Scheme at any time during a period to be determined and notified by the directors of FTG to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the FTG 2019 Share Option Scheme.
- 6) The exercise price per share under the FTG 2019 Share Option Scheme will be a price determined by the directors of FTG, but shall not be less than the highest of (i) the closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of grant in respect of such Post-IPO Option, which must be a business day; (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant in respect of such Post-IPO Option; and (iii) the nominal value of a share. The offer of a grant of Post-IPO Options may be accepted within 5 business days from the date of offer, upon payment of a nominal consideration of RMB1 (or any other amount as determined by the board of directors of FTG) in total by the grantee.

STATUTORY DISCLOSURES

- 7) FTG by ordinary resolution in a general meeting or the board of FTG may at any time terminate the FTG 2019 Share Option Scheme and in such event no further Post-IPO Options shall be offered or granted but the provisions of the FTG 2019 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Post-IPO Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the FTG 2019 Share Option Scheme. Post-IPO Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the FTG 2019 Share Option Scheme.
- 8) For the following details, the conditions that must be met before FTG issues any shares, the conditions that must be met before a third party may require FTG to issue any shares, and any monetary or other consideration that FTG has received or will receive under the agreement, please refer to the FTG 2019 Share Option Scheme Circular.

The following table discloses movements in the Post-IPO Options under the FTG 2019 Share Option Scheme during the Reporting Period.

Name of Grantee	Date of grant of the Post-IPO Options	Number of the Post-IPO Options					As of 30 June 2021	Vesting period of the Post-IPO Options	Exercise price of the Post-IPO Options per share (HKD)
		As of 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/cancelled during the Reporting Period	As of 30 June 2021			
Qian Jiannong	28 August 2020 ⁽¹⁾	500,000	–	–	–	500,000	1 July 2021 to 1 July 2024 ⁽²⁾	8.37	
Xu Bingbin ⁽³⁾	28 August 2020 ⁽¹⁾	200,000	–	–	–	200,000	1 July 2021 to 1 July 2024 ⁽²⁾	8.37	
Wang Wenping ⁽⁴⁾	28 August 2020 ⁽¹⁾	320,000	–	–	320,000	–	1 July 2021 to 1 July 2024 ⁽²⁾	8.37	
Other employees of FTG Group	28 August 2020 ⁽¹⁾	3,414,000	–	–	120,000	3,294,000	1 July 2021 to 1 July 2024 ⁽²⁾	8.37	
Total		4,434,000	–	–	440,000	3,994,000			

Notes:

- For details of the cancellation of certain options and share units granted on 25 August 2020, please see FTG's announcement dated 28 August 2020.
- The Post-IPO Options, being granted to such grantee(s) on 28 August 2020 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	1 July 2021
25%	1 July 2022
25%	1 July 2023
25%	1 July 2024

- Mr. Xu Bingbin was appointed as an executive director of FTG with effect from 15 March 2021.
- Mr. Wang Wenping resigned as an executive director of FTG with effect from 25 April 2021.
- On 20 August 2021, the board of FTG granted 6,233,000 Post-IPO Share Options to certain eligible participants of the FTG 2019 Share Option Scheme who are non-executive directors or employees of the FTG Group. For details, please see FTG's announcement dated 20 August 2021.
- No share option (unit) was granted to the supplier of goods or services of FTG under the FTG 2019 Share Option Scheme.

STATUTORY DISCLOSURES

YUYUAN SHARE OPTION INCENTIVE SCHEME**Yuyuan Tranche I Share Option Incentive Scheme**

The shareholders of the Company and Yuyuan approved the adoption of the Yuyuan tranche I share option incentive scheme (the “**Yuyuan Tranche I Share Option Incentive Scheme**”) on 27 November 2018 and 31 October 2018, respectively. The relevant details of the Yuyuan Tranche I Share Option Incentive Scheme under the following paragraphs were set out in the circular of the Company dated 9 November 2018 (the “**Yuyuan Tranche I Share Option Circular**”), unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the Yuyuan Tranche I Share Option Circular.

The Yuyuan Tranche I Share Option Incentive Scheme is designed to provide the participants with the opportunity to acquire interests in Yuyuan, which will improve the corporate governance structure of Yuyuan and align the interests of the Grantees and Yuyuan. The participants of the Yuyuan Tranche I Share Option Incentive Scheme include the director, senior management personnel and core technical staff of Yuyuan. The total number of new Yuyuan shares which may be issued upon exercise of all 4,500,000 options to be granted under the Yuyuan Tranche I Share Option Incentive Scheme is 4,500,000 shares, representing approximately 0.116% of the total issued shares of Yuyuan as at the end of the Reporting Period. The maximum number of Yuyuan shares to be issued to any of the Grantees upon exercise of the options granted under the Yuyuan Tranche I Share Option Incentive Scheme does not exceed 1% of total share capital of Yuyuan.

Subject to fulfilment of the conditions for exercising the options, after the expiry of 36 months from the Date of Grant, the Grantees may exercise their options in three tranches as follows:

Tranche	Exercise period	Percentage of option exercisable
First tranche	From the first trading day after the expiry of 36 months from the Date of Grant to the last trading day within 48 months from the Date of Grant	20%
Second tranche	From the first trading day after the expiry of 48 months from the Date of Grant to the last trading day within 60 months from the Date of Grant	30%
Third tranche	From the first trading day after the expiry of 60 months from the Date of Grant to the last trading day within 72 months from the Date of Grant	50%

The following table discloses movements in the outstanding options under the Yuyuan Tranche I Share Option Incentive Scheme during the Reporting Period:

Name of Grantee	Date of grant of the options	Number of the options				As of 30 June 2021	Exercise period of the options	Exercise price of the options per Share (RMB)
		As of 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/ lapsed/ cancelled during the Reporting Period			
Employees of Yuyuan	29 November 2018	4,500,000	0	0	0	4,500,000	29 November 2021 to 28 November 2024	7.21
Total		4,500,000	0	0	0	4,500,000		

No payment shall be required to be made by the Grantee for the application or acceptance of options under the Yuyuan Tranche I Share Option Incentive Scheme.

STATUTORY DISCLOSURES

YUYUAN TRANCHE II SHARE OPTION INCENTIVE SCHEME

The shareholders of the Company and Yuyuan approved the adoption of the Yuyuan tranche II share option incentive scheme (the "Yuyuan Tranche II Share Option Incentive Scheme") on 5 June 2019 and 28 May 2019, respectively. The relevant details of the Yuyuan Tranche II Share Option Incentive Scheme under the following paragraphs were set out in the circular of the Company dated 25 April 2019 (the "Yuyuan Tranche II Share Option Circular"), unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the Yuyuan Tranche II Share Option Circular.

The Yuyuan Tranche II Share Option Incentive Scheme is designed to provide the participants with the opportunity to acquire interests in Yuyuan, which will improve the corporate governance structure of Yuyuan and align the interests of the Grantees and Yuyuan. The participants of the Yuyuan Tranche II Share Option Incentive Scheme include the core management of Yuyuan's wholly-owned subsidiaries. The total number of new Yuyuan shares which may be issued upon exercise of all 5,400,000 options to be granted under the Yuyuan Tranche II Share Option Incentive Scheme is 5,400,000 shares, representing approximately 0.139% of the total issued shares of Yuyuan as at the end of the Reporting Period. The maximum number of Yuyuan shares to be issued to any of the Grantees upon exercise of the options granted under the Yuyuan Tranche II Share Option Incentive Scheme does not exceed 1% of total share capital of Yuyuan.

Subject to fulfilment of the conditions for exercising the options, after the expiry of 36 months from the Date of Grant, Grantees may exercise their Options in three tranches as follows:

Tranche	Exercise period	Percentage of option exercisable
First tranche	From the first trading day after the expiry of 36 months from the Date of Grant to the last trading day within 48 months from the Date of Grant	20%
Second tranche	From the first trading day after the expiry of 48 months from the Date of Grant to the last trading day within 60 months from the Date of Grant	30%
Third tranche	From the first trading day after the expiry of 60 months from the Date of Grant to the last trading day within 72 months from the Date of Grant	50%

The following table discloses movements in the outstanding options under the Yuyuan Tranche II Share Option Incentive Scheme during the Reporting Period:

Name of Grantee	Date of grant of the options	Number of the options				As of 30 June 2021	Exercise period of the options	Exercise price of the options per Share (RMB)
		As of 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/cancelled during the Reporting Period			
Employees of Yuyuan's wholly-owned subsidiaries	13 June 2019	5,400,000	0	0	0	5,400,000	13 June 2022 to 12 June 2025	9.09
Total		5,400,000	0	0	0	5,400,000		

No payment shall be required to be made by the Grantee for the application or acceptance of options under the Yuyuan Tranche II Share Option Incentive Scheme.

STATUTORY DISCLOSURES

YUYUAN TRANCHE I EMPLOYEE SHARE OPTION INCENTIVE SCHEME

The shareholders of the Company and Yuyuan approved the adoption of the Yuyuan tranche I employee share option incentive scheme (the "Yuyuan Tranche I Employee Share Option Incentive Scheme") on 30 October 2019 and 23 October 2019, respectively. The relevant details of the Yuyuan Tranche I Employee Share Option Incentive Scheme under the following paragraphs were set out in the circular of the Company dated 8 October 2019 ("Yuyuan Tranche I Employee Share Option Circular"), unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the Yuyuan Tranche I Employee Share Option Circular.

The Yuyuan Tranche I Employee Share Option Incentive Scheme is designed to provide the participants with the opportunity to acquire interests in Yuyuan, which will improve the corporate governance structure of Yuyuan and align the interests of the Grantees and Yuyuan. The participants of the Yuyuan Tranche I Employee Share Option Incentive Scheme include Yuyuan's senior management and mid-level management team as well as the core management team of Yuyuan's subsidiaries. As at the end of the Reporting Period, Yuyuan has granted 3,650,000 options to subscribe for 3,650,000 new Yuyuan shares, and 2,445,500 effective options were outstanding except for the exercised, expired, lapsed or cancelled options under the Yuyuan Tranche I Employee Share Option Incentive Scheme. The maximum number of Yuyuan shares to be issued to any of the Grantees upon exercise of the options granted under the Yuyuan Tranche I Employee Share Option Incentive Scheme does not exceed 1% of total share capital of Yuyuan.

Subject to fulfilment of the conditions for exercising the options, after the expiry of 12 months from the Date of Grant, Grantees may exercise their options in three tranches as follows:

Tranche	Exercise period	Percentage of option exercisable
First tranche	From the first trading day after the expiry of 12 months from the Date of Grant to the last trading day within 24 months from the Date of Grant	33%
Second tranche	From the first trading day after the expiry of 24 months from the Date of Grant to the last trading day within 36 months from the Date of Grant	33%
Third tranche	From the first trading day after the expiry of 36 months from the Date of Grant to the last trading day within 48 months from the Date of Grant	34%

The following table discloses movements in the outstanding options under the Yuyuan Tranche I Employee Share Option Incentive Scheme during the Reporting Period:

Name of Grantee	Date of grant of the options	Number of the options				As of 30 June 2021	Exercise period of the options	Exercise price of the options per Share (RMB)
		As of 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/ lapsed/ cancelled during the Reporting Period			
Employees of Yuyuan and its subsidiaries	31 October 2019	2,445,500	0	0	0	2,445,500	31 October 2020 to 30 October 2023	8.62
Total		2,445,500	0	0	0	2,445,500		

No payment shall be required to be made by the Grantee for the application or acceptance of options under the Yuyuan Tranche I Employee Share Option Incentive Scheme.

STATUTORY DISCLOSURES

GLAND PHARMA SHARE OPTION INCENTIVE SCHEME

The shareholders of the Company approved the adoption of the Gland Pharma share option incentive scheme at the annual general meeting held on 5 June 2019 (the “**Gland Pharma Share Option Incentive Scheme**”). The purpose of the Gland Pharma Share Option Incentive Scheme is to (i) reward the employees for their past and future performance, (ii) align the interests of the employees with those of shareholders of Gland Pharma, (iii) foster the sense of ownership of the employees, and (iv) reward the employees for their loyalty.

Subject to the provisions of the Gland Pharma Share Option Incentive Scheme, the maximum number of Gland Pharma shares that may be issued pursuant to exercise of options granted to the participants under the Gland Pharma Share Option Incentive Scheme shall not exceed 170,444 Gland Pharma shares, representing 1.1% of the total number of issued Gland Pharma shares as at the date when shareholders of Gland Pharma approved and adopted the Gland Pharma Share Option Incentive Scheme. Subject to the limitations prescribed under the Gland Pharma Share Option Incentive Scheme, Gland Pharma reserves the right to increase or reduce such number of Gland Pharma shares as it deems fit.

On 27 June 2019, a total of 154,950 options were granted to 103 participants under the Gland Pharma Share Option Incentive Scheme with an exercise price of INR5,420 per Gland Pharma share. 102 participants accepted the grant of options underlying a total of 154,650 Gland Pharma shares. The number of Gland Pharma shares which may be issued upon the exercise of the granted options represents approximately 1% of the total issued shares of Gland Pharma on the date of adoption of the Gland Pharma Share Option Incentive Scheme.

On 17 March 2020, Gland Pharma completed the share subdivision on the basis that every one (1) outstanding Gland Pharma Share was subdivided into ten (10) Gland Pharma Shares. According to the provisions of the Gland Pharma Share Option Incentive Scheme, upon the completion of the share subdivision of Gland Pharma, adjustments shall be made to the exercise price of the outstanding options and the number of Gland Pharma shares to be allotted and issued upon exercise of all the outstanding options in accordance with the terms of the Gland Pharma Share Option Incentive Scheme.

The details of the changes in the outstanding options under the Gland Pharma Share Option Incentive Scheme during the Reporting Period are set out below:

Participant	Date of Grant (dd-mm-yyyy)	Vesting Date (dd-mm-yyyy) ⁽¹⁾	Option share ⁽¹⁾	Exercise period ⁽¹⁾	Outstanding options as at 1 January 2021	Exercise price per share	Granted	Exercised	Forfeited	Outstanding options as at 30 June 2021
							during the Reporting Period	during the Reporting Period	or lapsed during the Reporting Period ⁽²⁾	
Employees of Gland Pharma	27-6-2019	20-11-2020	40%	20-11-2020 to 26-6-2029	1,480,500	INR542	0	954,350	2,100	524,050
		31-3-2021	30%	31-3-2021 to 26-6-2029						
		31-3-2022	30%	31-3-2022 to 26-6-2029						

Notes:

- (1) The vesting of the options granted shall be subject to the requirement for a minimum period of one year between the date of grant and vesting of the options and the relevant performance targets under the Gland Pharma Share Option Incentive Scheme.
- (2) During the Reporting Period, as 1 participant ceased to be an employee of Gland Pharma, the granted share options underlying 2,100 shares of Gland Pharma were lapsed and forfeited.

STATUTORY DISCLOSURES

HUMAN RESOURCES

As of 30 June 2021, the Group had approximately 78,000 employees.

In the first half of 2021, guided by the ambition of “Making a difference in the world by serving families worldwide” and the strategic initiatives of implementing “1+N” product lines, Fosun Human Resources focused on constantly consolidating Fosun’s cultural values in order to further improve industry operation capabilities. Meanwhile, we comprehensively promoted the building up of organizational capabilities in the organizations in Fosun ecosystem at all levels. Implementing the strategy planning by top-level design, enhancing the efficiency and vitality by organizational mechanism optimization, and ensuring the organizational agility and high efficiency by the establishment of digital and high-tech system, we aimed to enhance the organizational health and form a talent-and-high-potential-fulfilled and long-lasting organizational ecosystem by establishing and optimizing culture and values, partnership models, talent pipelines, etc. In the next ten years, Fosun will further strengthen the organizational awareness of co-creation and sharing, and build a self-driven global intelligent organization that strongly coupled with Fosun partners, entrepreneurial managers, and outstanding employees.

In 2021, Fosun will continue to deepen the construction of globalized organization structure, integrate global resources, and accelerate the win-win construction of Fosun’s open ecosystem. In terms of management mechanism, we have systematically deployed the executive management committee and the talent committee platform for efficient and collective decision making, while continuously increased the delegation of customer-oriented first line business organizations with the quality process operation system for mechanism guarantee. In terms of employer branding, Fosun’s eco-organizations work together to hold global online and offline campus recruitment and also the thousand-talent plan with the brand of ONE Fosun, so as to attract domestic and overseas talents in various fields and continuously input new forces into the company. Moreover, through the systematic talent mapping and succession planning mechanism, we have increased the engagement and attention on key talents by the business leaders, closely followed up with the goals of business growth, and achieved appropriate pre-allocation, higher deployment and additional reservation of the talent pipelines. We continuously provide more promotion and development opportunities for young talents with high performance and high potential, actively tap the all-round potentials of employees, and provide multi-dimensionally matrixed talent development programs for high potentials at all levels. Meanwhile, we actively promote talent rotations in Fosun ecosystem for intergrowth, commonality and sharing, and upgrade the global human resources shared service platform to constantly fine-tune talent pool system and information construction of ONE Fosun. In line with Fosun business strategy upgrading, we actively design and optimize various incentive mechanism. According to the specific characteristics of different businesses, we adjust the incentive proposals from the top level to the first line, and actively explore innovative tools and ideas to improve the accuracy of incentives, and also facilitate subordinate companies to design and implement long-term incentive mechanism to ensure to achieve the objective of co-entrepreneurship.

Fosun Global Partnership System

The partners and their successors are the core leaders in the entrepreneurial philosophy of Fosun. And the global partnership system is the core system to recruit and operate the key talents in Fosun. In 2021, Fosun updated the evaluation, incentive and exit mechanisms for partners, and implemented the co-competition development at the partner level, and further played the value of Fosun partners in ecosystem construction, customer satisfaction, innovation leadership and talent development, etc. and jointly built up the prosperous Fosun global ecosystem by the team of partners with their great entrepreneurship.

Fulfilment of the Commitment to Employees

Fosun regards its employees as its most valuable capital. Meanwhile, Fosun has been aiming to provide the best platform for employees to realize their values. We fully protect the interests of employees, and are always concerned about the personal development of our staffs. We emphasize on the importance of developing outstanding talents with global perspective, and prepare the career development path with Fosun style to facilitate the synergized development between the Company and employees.

STATUTORY DISCLOSURES

Employee Caring and Services

Fosun persists in improving, innovating and strengthening the establishment of a comprehensive and diversified benefit system in order to create a sound enterprise atmosphere and enhance the sense of belonging among the employees. Upholding the value of "Self-improvement, Teamwork, Performance and Contribution to Society", Fosun cares not only the employees, but also their families.

Fosun continues to strengthen the promotion and investment of employees' health management, and innovates the health management model. In addition to covering the annual physical examination of all employees, Fosun also encourages employees to participate in fitness activities such as Tai Chi and dance, regularly promotes healthcare tips, and conducts healthcare lectures, in order to strengthen employee healthcare awareness and initiate e-clinic and other innovative employee health management products. Integrating the rich medical and insurance resources within the Group, we provide a variety of health services. By integrating advanced technology companies within the Group, we organize employees to experience futuristic technologies in the first time, and provide online consultation, online reservation of physical examination, online claim of medical expenses and etc.

Fosun has established different schemes for various employee groups. Focusing on the happiness ecosystem created by the Group and also building employee ecosystem BD organization with employee user as centre, we also involve our employees' family members into various warm-hearted activities of the Company. We fully utilized the Group's own resources so that employees can access to all types of internal products, services and related resources at lower costs more conveniently.

Fosun uses internet and various innovative channels to enrich employee services. We have further optimized and innovated the methods of benefits distribution and dissemination, such as announcing or introducing employee benefits, as well as various remuneration benefits and human resources policies through our own mobile application. The employees are able to not only check their benefits through our self-developed mobile application platform, but also use employee points to pay for meals or other convenient service online. Meanwhile, our Human Resources Global Shared Service Centre continuously consolidates various resources both domestically and overseas, so that we are able to provide better services to our employees all over the world.

Employee Learning and Development

Talents are core competitiveness of an enterprise. Fosun has always been valuing the development of both the Company and the employees together as one of the most important responsibilities, and strives continuously to provide the employees with more and better career development opportunities and working environment. By the continuous growth and structural optimization, we facilitate the integration and cooperation among teams and create values, and also build the learning organization, in order to realize the development vision of the Group and employees together.

In accordance with the development strategy and the human resources planning requirements of the Group, integrating our development styles, we have established talent and professional talent training programs for different levels of the pipeline. We plan development paths to match different development goals. Based upon competencies and professional requirements, we design training programs, such as partner leadership development program, Chairman/CEO program, CXO program, Fosun youth development program and Fostar management trainee program, etc., in order to help employees grow fast and resolve specific business problems simultaneously. The purpose is to systematically develop all levels of Fosun core talent pipeline, and continuously supply talents for the Group, and ensure fast organization development.

Fosun values high potential talents, especially the exploration and development of the young high potentials. For example, targeting Fostar management trainees of the Group and its group companies, the 21-day-long intensive training plan for them and the mentorship certification program for their mentors were well designed and delivered to support the fast growing of the young high potential talents of Fosun.

STATUTORY DISCLOSURES

Employment and Labour Principles

Our employees are our most valuable assets and also the core of competitive advantages of the Group. The Group has been adhering to the principle of “Attracting people by development, Uniting people by career, Training people by work and Appraising people by performance” and advocates fair competition and opposes discrimination. All employees and job applicants are not confined by factors such as gender, age, race, skin colour and religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity, working hours, rest periods and other benefits in countries/regions where our operations are located.

During the Reporting Period, all employees of the Group met the minimum working age requirements set out in the relevant laws of the countries/regions where our operations were located and the employment of child labour or forced labour is prohibited.

Remuneration Policy and Employee Incentives

The remuneration policy and package of the Group's employees are periodically reviewed based on the basis of their performance, experience and prevailing industry practice. The Group always implements the incentive principles of value creation, performance orientation, profit and loss sharing, and clear reward and punishment. Oriented by strategy implementation and employee development, the Group continuously optimizes the multi-level and full-coverage remuneration system to complete the mid-to-long-term incentive system. Through the flexible and comprehensive incentives, together with different business demands and incentive tools, we empower the business and motivate the team.

The Group always implements the incentive principles of value creation, performance orientation, profit and loss sharing, and clear reward and punishment. Oriented by strategy implementation and employee development, Fosun recognizes innovation and start-up, develops entrepreneurship, plays the multiplier effect of ecosystem, continuously optimizes the reward and incentive system to cover all different levels, and improves the incentive mechanism for mid- and long-term. We satisfy different business demands, combine different incentive tools, take flexible and comprehensive incentive measures, to empower the Fosun ecosystem and support the teams.

Human Resources Digitalization

Guided by the technology leadership strategy and the continuous innovation strategy, the Human Resources Management Centre of the Group applies all types of innovative digital technology to develop the human resources system and tools, further to build up ONE Fosun digital human resources ecosystem, which provides wise, efficient and ethic global digitalized human resources solution for the Group headquarters and all business units and group companies, and also provides comfortable, intelligent and easy employee digital experience.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests or short positions of the Directors or chief executives 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 Hong Kong Stock Exchange pursuant to the Model Code were as follows:

STATUTORY DISCLOSURES

(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	6,044,246,673 ⁽¹⁾	Corporate	72.14%
Chen Qiyu	Ordinary	22,998,000	Individual	0.27%
Xu Xiaoliang	Ordinary	20,077,800	Individual	0.24%
Qin Xuetang	Ordinary	16,812,640	Individual	0.20%
Gong Ping	Ordinary	11,280,000	Individual	0.13%
Zhuang Yuemin	Ordinary	25,000	Individual	0.00%
Yu Qingfei	Ordinary	25,000	Individual	0.00%
Zhang Shengman	Ordinary	75,250	Individual	0.00%
Zhang Huaqiao	Ordinary	480,000	Individual	0.01%
David T. Zhang	Ordinary	180,000	Individual	0.00%
Lee Kai-Fu	Ordinary	135,000	Individual	0.00%
Tsang King Suen Katherine	Ordinary	25,000	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	Type of interests	Approximate percentage in relevant class of shares
Guo Guangchang	Fosun Holdings	Ordinary	1 ⁽²⁾	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	85.29%
	Fosun Pharma	A shares ⁽³⁾	114,075	Individual	0.01%
		A shares ⁽³⁾	938,095,290 ⁽²⁾	Corporate	46.65%
		H shares	77,533,500 ⁽²⁾	Corporate	14.05%
	Sisram Med	Ordinary	330,558,800 ⁽²⁾	Corporate	74.76%
	FTG	Ordinary	1,015,389,932 ⁽²⁾	Corporate	82.04%
Shanghai Henlius	Domestic shares	289,845,387 ⁽²⁾	Corporate	79.59%	
	H shares	24,211,239 ⁽²⁾	Corporate	14.81%	
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Pharma	A shares ⁽³⁾	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma	A shares ⁽³⁾	114,075	Individual	0.01%
	FTG	Ordinary	1,478	Individual	0.00%
Xu Xiaoliang	FTG	Ordinary	2,328	Individual	0.00%
Gong Ping	FTG	Ordinary	988	Individual	0.00%

STATUTORY DISCLOSURES

Notes:

- (1) Pursuant to Division 7 of Part XV of the SFO, 6,044,246,673 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.
- (2) Pursuant to Division 7 of Part XV of the SFO, the shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun International Holdings, Fosun Holdings, the Company and/or its subsidiaries.
- (3) A shares mean the equity securities listed on the SSE.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, 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 the substantial shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings	6,044,246,673 ⁽²⁾	72.14%
Fosun International Holdings ⁽¹⁾	6,044,246,673 ⁽²⁾⁽³⁾	72.14%

Notes:

- (1) Fosun International Holdings is owned as to 85.29% and 14.71% by Messrs. Guo Guangchang and Wang Qunbin, respectively.
- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings and, therefore, Fosun International Holdings is deemed, or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.
- (3) Mr. Guo Guangchang, by virtue of his ownership of shares in Fosun International Holdings as to 85.29%, is deemed or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.

Save as disclosed above, so far as was known to the Directors, as at 30 June 2021, 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.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors during the Reporting Period are set out below:

(1) Changes in the Significant Positions Held Within the Group

There is no change in the significant positions held by the Directors within the Group during the Reporting Period.

STATUTORY DISCLOSURES

(2) Changes in other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas and other major appointments

Name of Director	Company Name	Date of changes	Original position	Current position
Gong Ping	Shanghai Bailian Group Co., Ltd.	June 2021	Director	–
Zhuang Yuemin	Guangzhou Rural Commercial Bank Co., Ltd.	March 2021	–	Non-executive Director
Zhang Huaqiao	Haitong International Securities Group Limited	May 2021	–	Independent Non-executive Director
	China Huirong Financial Holdings Limited	May 2021	Independent Non-executive Director	–

(3) Changes in Directors' remuneration with effect during the Reporting Period

Unit: RMB million

Name of Director	Date of changes	Remuneration
Zhang Shengman	1 April 2021	0.75
Zhang Huaqiao	1 April 2021	0.75
David T. Zhang	1 April 2021	0.75
Lee Kai-Fu	1 April 2021	0.75
Tsang King Suen Katherine	1 April 2021	0.75

Save as disclosed herein, there is no information required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company purchased a total of 53,383,500 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD628,763,450 during the Reporting Period. As of 30 June 2021, all the purchased Shares have been cancelled.

Month	Total number of Shares repurchased	Purchase price paid per Share		Total purchase price paid (HKD)
		Highest (HKD)	Lowest (HKD)	
January 2021	14,283,500	12.00	11.72	169,947,760
February 2021	27,500,000	12.40	11.46	328,481,730
April 2021	11,600,000	11.46	10.82	130,333,960
Total	53,383,500	–	–	628,763,450

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares during the Reporting Period.

STATUTORY DISCLOSURES

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") comprises five Independent Non-Executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine. The main duties of the Audit Committee are to review the relationship with external auditors, review the Company's financial information and oversee the financial reporting system, risk management and internal control systems of the Company, and to provide recommendations and advice to the Board.

The interim results of the Company for the Reporting Period are unaudited but have been reviewed by the Audit Committee of the Company. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

COMPLIANCE WITH THE CG CODE

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions as set out in the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiry has been made to each of the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the above mentioned written guidelines by the relevant employees of the Company was noted by the Company.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS HELD

On 29 April 2021, Fosun Industrial Holdings Limited ("**Fosun Industrial**"), a subsidiary of the Company, entered into a placing agreement with Citigroup Global Markets Limited (the "**Agent**"), pursuant to which the Agent shall procure the purchasers to purchase 24,000,000 H shares of Tsingtao Brewery Company Limited ("**Tsingtao Brewery**") held by Fosun Industrial (the "**Disposal of Fosun Industrial**"), failing which, the Agent shall purchase such H shares held by Fosun Industrial subject to the terms and conditions set forth in the placing agreement. Pursuant to the placing agreement and the pricing notice given by the Agent, the price per H share of Tsingtao Brewery under the Disposal of Fosun Industrial is HKD70.88 and the total consideration of the Disposal of Fosun Industrial is approximately HKD1,701 million. The Disposal of Fosun Industrial was completed as at the end of the Reporting Period. For details of the above discloseable transaction, please refer to the announcement of the Company dated 29 April 2021.

Save for those disclosed in this interim report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period. Apart from those disclosed in this interim report, there was no plan authorized by the Board for other material investments or additions of capital assets as at the end of the Reporting Period.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Chen Shucui
Zhuang Yuemin
Yu Qingfei

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

Zhang Shengman (*Chairman*)
Zhang Huaqiao
David T. Zhang
Lee Kai-Fu
Tsang King Suen Katherine

REMUNERATION COMMITTEE

Zhang Huaqiao (*Chairman*)
Zhang Shengman
David T. Zhang
Lee Kai-Fu
Tsang King Suen Katherine

NOMINATION COMMITTEE

David T. Zhang (*Chairman*)
Zhang Shengman
Zhang Huaqiao
Lee Kai-Fu
Tsang King Suen Katherine

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Lee Kai-Fu (*Chairman*)
Qin Xuetao
Zhang Shengman
Zhang Huaqiao
David T. Zhang
Tsang King Suen Katherine

COMPANY SECRETARY

Sze Mei Ming

AUTHORIZED REPRESENTATIVES

Qin Xuetao
Sze Mei Ming

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

China Development Bank
Industrial and Commercial Bank of China
Bank of China
Shanghai Pudong Development Bank
China Merchants Bank
Ping An Bank
China Minsheng Bank
China Construction Bank
China Citic Bank
Bank of Shanghai
The Export-Import Bank of China
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia
Standard Chartered Bank
Natixis Bank
Citibank

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<http://www.fosun.com>

GLOSSARY

FORMULA

EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Interest coverage	=	EBITDA/net interest expenditures
Net interest expenditures	=	Interest expenses, net + interest on discounted bills
Interest-bearing debt	=	current and non-current interest-bearing bank and other borrowings
Interest-bearing debt to total capital ratio	=	interest-bearing debt/(shareholder's equity + interest-bearing debt)

ABBREVIATIONS

AmeriTrust	AmeriTrust Group, Inc. (formerly known as Meadowbrook Insurance Group, Inc.)
BabyTree	BabyTree Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01761
Baihe Jiayuan	Baihe Jiayuan Network Group Co., Ltd (百合佳緣網絡集團股份有限公司)
BCP	Banco Comercial Português, S.A., a company whose shares are listed on the Euronext Lisbon with stock code BCP
Besino Environment	Besino Environment Ltd. (柏中環境科技(上海)有限公司)
BioNTech	BioNTech SE, a company registered in Germany, which is listed on the NASDAQ with stock code BNTX
Board	the board of Directors
Bohe Health	Bohe Health Technology Co., Ltd. (上海薄荷健康科技股份有限公司)
Cainiao	Cainiao Network Technology Co., Ltd. (菜鳥網絡科技有限公司)
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Club Med	Club Med SAS
Company	Fosun International Limited
Director(s)	the director(s) of the Company
EUR	Euro, the lawful currency of the Eurozone
FFG	Fosun Fashion Group (Cayman) Limited
FFT	FFT GmbH & Co. KGaA

GLOSSARY

Fidelidade	Fidelidade – Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência – Companhia de Seguros, S.A. (formerly known as Cares – Companhia de Seguros, S.A.)
Foshan Chancheng Hospital	Foshan Fosun Chancheng Hospital Company Limited (佛山復星禪誠醫院有限公司) (formerly known as Foshan Chancheng Central Hospital Company Limited 佛山市禪城區中心醫院有限公司)
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司)
Fosun Hani Securities	Fosun Hani Securities Limited
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司)
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade and the special purpose vehicle which holds the equity interest in Fidelidade directly
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun United Health Insurance	Fosun United Health Insurance Co., Ltd. (復星聯合健康保險股份有限公司)
FTG	Fosun Tourism Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01992
Gland Pharma	Gland Pharma Limited, a company whose shares are listed on the National Stock Exchange of India Limited and BSE Limited with stock code GLAND
Group or Fosun	the Company and its subsidiaries
Guide	Guide Investimentos S.A. Corretora de Valores
H&A	Hauck & Aufhäuser Privatbankiers AG (formerly known as Hauck & Aufhäuser Privatbankiers KGaA)
Hainan Mining	Hainan Mining Co., Ltd. (海南礦業股份有限公司), a company whose shares are listed on the SSE with stock code 601969
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
INR	Indian rupee, the lawful currency of India
JEVE	Tianjin EV Energies Co., Ltd. (天津市捷威動力工業有限公司)
Jinhui Liquor	Jinhui Liquor Co., Ltd. (金徽酒股份有限公司), a company whose shares are listed on the SSE with stock code 603919
JM Digital Steel	JM Digital Steel Inc. (江蘇金質鋼寶電子商務股份有限公司), a company whose shares are listed on the NEEQ with stock code 834429
JPY	Japanese yen, the lawful currency of Japan
La Positiva	La Positiva Seguros y Reaseguros S.A.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE – SGPS, SA)

GLOSSARY

Macau	the Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare – Seguros de Saúde, S.A.
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司), a company whose shares are listed on the SSE with stock code 600282
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd. (南京南鋼鋼鐵聯合有限公司)
NEEQ	National Equities Exchange and Quotations
PAREF	Paris Realty Fund SA, a company whose shares are listed on the Euronext Paris with stock code PAR
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd. (復星保德信人壽保險有限公司)
PRC or China	the People's Republic of China
Reporting Period	the six months ended 30 June 2021
RMB	Renminbi, the lawful currency of the PRC
ROC	Roc Oil Company Pty Limited
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd. (北京三元食品股份有限公司), a company whose shares are listed on the SSE with stock code 600429
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanghai Henlius	Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a company whose shares are listed on the Hong Kong Stock Exchange with stock code 02696
Shanghai Zhuli	Shanghai Zhuli Investment Co., Ltd. (上海助立投資有限公司)
Share(s)	the share(s) of the Company
Shede Spirits	Shede Spirits Co., Ltd. (舍得酒業股份有限公司), a company whose shares are listed on the SSE with stock code 600702
Sinopharm	Sinopharm Group Co. Ltd. (國藥控股股份有限公司), a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01099
Sisram Med	Sisram Medical Ltd, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01696
SSE	the Shanghai Stock Exchange
USD	United States dollars, the lawful currency of the United States
Wansheng	Zhejiang Wansheng Co., Ltd. (浙江萬盛股份有限公司), a company whose shares are listed on the SSE with stock code 603010
Wolves	Wolverhampton Wanderers Football Club
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited (永安財產保險股份有限公司)
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司), a company whose shares are listed on the SSE with stock code 600655

FOSUN 复星