

FOSUN 复星



復星國際有限公司
FOSUN INTERNATIONAL LIMITED

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

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SUSTAIN RESILIENCE SHARING HAPPINESS



INTERIM REPORT
2022



Sustaining Resilience, Sharing Happiness

In the face of the volatile pandemic situation and many external uncertainties in the first half of 2022, Fosun maintained its strategic focus, insisted on doing the right things, the difficult things, and things that take time to develop, continue to develop in globalization and technology innovation, thereby demonstrating its remarkable resilience in the 2022 interim results and accumulating growth momentum for future development.

In 2022, Fosun enters into the 30 years of establishment, and “Sustaining Resilience, Sharing Happiness” can very well reflect the efforts of Fosun over the past 30 years, and also very well demonstrate Fosun’s hope for the future. After 30 years of development, Fosun has developed into one of the few domestic companies equipped with global operations and investment capabilities, and accumulated profound technology and innovation capabilities. Through 30 years of accumulation, Fosun has built four core competencies, FC2M (Fosun Client-to-Maker) ecosystem, globalization, innovation-driven, and FES management system (Fosun Entrepreneurship/Ecosystem System).

The FC2M ecosystem can closely integrate all industries, scenarios and platforms. With the objectives of solving customer needs and achieving customer satisfaction, the FC2M ecosystem continuously provides products and services that satisfy customers, thereby promoting the quality and efficiency enhancement of the Group’s industry operations. Fosun’s globalization achievements are evident from combining China’s growth momentum with global resources, to the mutual connection between China and the world. In recent years, Fosun’s globalization strategy has been upgraded again, and it has comprehensively promoted “global organization + local operations”, which has provided new impetus for the overall operational improvement and business expansion.

Fosun’s globalization strategy aims to take the world as a whole, through deepening its global business presence and building a diverse talent pool, use the most suitable resources to deeply cultivate key areas, and achieve mutual empowerment and rapid growth within the ecosystem. It is more about using global resources to create greater value for customers worldwide. Currently, Fosun has established profound business presence in over 30 countries and regions, its globalization and ecosystem synergy capabilities continued to drive momentum of its overseas business.

In addition, Fosun’s robust technology and innovation capability is also an important core competency that drives the “multiplier growth” of the Group. Investment in technology and innovation (includes scientific research investment (expensed and capitalized), but does not include digital investment) in the first half of 2022 amounted to RMB4.6 billion, representing an increase of 21% year-on-year. Meanwhile, the FES management system can integrate the practical experience of the Group in industry operations and investment, and provide systematic methodologies, tools and processes for Fosun’s globalization, technology and innovation, and operation of the ecosystem, so as to help Fosun achieve the goal of sustainable high growth.

The four core competencies of Fosun are not only the support for Fosun’s achievements today, but also the driving force for rapid “multiplier growth” in the future. While developing its businesses, Fosun emphasizes the use of ESG criteria to assess its own sustainable development capability and level. As a participant of the United Nations Global Compact (UNGC), Fosun has been actively engaging its member companies in the implementation of ESG strategies. On the environmental front, Fosun has made a commitment to the society to “achieve carbon emission peak by 2028 and carbon neutrality by 2050”, and is making steady progress towards these targets. Moreover, Fosun continued to make unremitting efforts on social welfare. The Group and its member companies carried out public welfare projects such as supporting the combat against the pandemic, assisting in the fight against malaria in Africa, disaster relief, Rural Doctors program, fostering education, culture promotion, and entrepreneurial support to actively promote community development and help people’s livelihood and improve social well-being.

Fosun has been dedicated itself with the values of “Self-improvement, Teamwork, Performance, and Contribution to Society” raised when Fosun established 30 years ago. It has developed into a global innovation-driven consumer group, strengthening its presence in four business segments, namely Health, Happiness, Wealth and Intelligent Manufacturing and is committed to creating happier lives for families worldwide. Looking ahead, with the concept of “Sharing Happiness”, Fosun will join hands with customers, partners, investors and all parties in the society to create a happy ecosystem and share happiness and value of Fosun.

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FINANCIAL SUMMARY

In RMB million	For the six months ended 30 June	
	2022	2021 (Restated*)
Revenue	82,891.6	70,442.9
Health	23,366.6	19,282.0
Happiness	32,065.4	28,498.4
Wealth	22,971.5	19,649.9
<i>Insurance</i>	15,889.0	15,475.3
<i>Asset Management</i>	7,082.5	4,174.6
Intelligent Manufacturing	5,127.0	3,569.7
Eliminations	(638.9)	(557.1)
Profit/(loss) attributable to owners of the parent	2,697.0	4,004.4
Health	286.9	1,214.8
Happiness	(60.4)	(1,226.0)
Wealth	1,459.6	2,410.5
<i>Insurance</i>	(541.8)	1,415.3
<i>Asset Management</i>	2,001.4	995.2
Intelligent Manufacturing	1,041.0	1,629.1
Eliminations	(30.1)	(24.0)
Earnings per share – basic (in RMB)	0.32	0.48
Earnings per share – diluted (in RMB)	0.32	0.48

* The comparative segment information has been restated to reflect the completion of acquisitions which have been accounted for as business combination under common control in the second half of 2021. Please refer to Note 2 to the interim condensed consolidated financial information for more operating segment information.

BUSINESS OVERVIEW

After three decades of development, the Group has grown into a global innovation-driven consumer group, strengthening its presence in four business segments, namely Health, Happiness, Wealth and Intelligent Manufacturing. The Group has accumulated profound experience and built up capabilities in the fields of globalization, technology and innovation, business ecosystem and FES¹, and its rich and diverse businesses and global business presence have led the Group to strengthen its core businesses that could bring stable, synergistic and sustainable growth. The Group presses ahead with the “profound industry operations + industrial investment” strategy to further promote its implementation and development, driving the sustainable development of Fosun’s ecosystem and providing high-quality products and services to families around the world.

Having strong fundamentals to withstand risks, profound industry operations to drive sustainable development

It was against the backdrop of complex and volatile macro-environments in China and overseas that the Group continues to consolidate its profound industry operations and footprints and enhance its capability to withstand risks by leveraging its balanced business presence at home and abroad. During the Reporting Period, the Group’s total revenue grew steadily to RMB82.89 billion, representing a year-on-year increase of 17.7%. Benefiting from the Group’s continuous strengthening of the member enterprises’ industrial operations over the past few years, the Group’s enterprise operation profit² during the Reporting Period amounted to RMB2.33 billion, representing a year-on-year increase of 35.5%. However, due to the impact of the pandemic, the increase of commodity raw material prices and the effect resulted from the capital market volatility, the Group’s industrial operation profit³ amounted to RMB3.61 billion, representing a year-on-year decrease of 35.9%. The Group’s profit attributable to owners of the parent during the Reporting Period decreased by 32.6% year-on-year compared to the same period of 2021 to RMB2.70 billion. Looking ahead to the second half of the year, the Group expects a gradual recovery in its business which will be reflected in its financial

and operational indicators on the back of the gradually easing pandemic in China and the gradual abatement of the impact of international black swan events.

Striking a balance between investment and divestment to strengthen cash flows, optimizing capital structure to promote business development

The Group has continued to enhance its financial position by means of capital management so as to form a sound ecosystem of finance and thus laid a solid foundation for its long-term and stable development. The Group continues to strengthen investment management by actively striking a balance between investment and divestment, and disposing of its non-core assets when opportunities arise. At the level of its subsidiaries, the Group focuses on four major business segments, and gradually extends its investment to the value chain of high value-added industry, thus strengthening its business portfolio. During the Reporting Period, in terms of investment, Fosun Insurance Portugal acquired 70% equity interest in The Prosperity Company, which is a digitally-driven insurance company based on a pension wealth management platform with operations in Europe; in terms of divestment, the Group and a non-consolidated fund managed by the Group have successively reduced their H-share holding in Tsingtao Brewery Company Limited since 2019 and fully completed the divestment in the first half of 2022. The Group and such non-consolidated fund recorded approximately HKD15.8 billion in accumulative proceeds from the sale of such holding. In April 2022, the Group announced the disposal of AmeriTrust, an American insurance company, which is expected to bring considerable cash flow to the Group after the completion of the transaction. Meanwhile, the Group continued to promote the securitization of underlying assets, and achieved transparency in asset valuation and facilitated rapid growth of assets through equity financing and other means. In March 2022, Lanvin Group and Primavera Capital Acquisition Corporation announced that they have reached a combination agreement. Upon completion of the merger transaction, Lanvin Group will be listed on the New York Stock Exchange under the stock code “LANV”.

- 1 Fosun Entrepreneurship/Ecosystem System (“FES”) refers to a business management system with high management efficiency that continuously evolves in practice in order to build the core competitiveness of a time-honored enterprise and cultivate talents with Fosun’s entrepreneurial spirit.
- 2 Enterprise operation profit: It includes the profit contribution of the major members of the Group, of which the profit of A-share listed members is adjusted to exclude the gain/loss of the non-recurring items.
- 3 Industrial operation profit: It includes the profit contribution of industrial operation subsidiaries of the Group and associates and joint ventures accounted by equity method.

BUSINESS OVERVIEW

In terms of treasury and liability management, the Group has been proactively managing debt maturities and continuously optimizing debt structure. During the Reporting Period, the Group took both prudent and proactive approach to its financing activities and have achieved remarkable results in raising funds on the bond market and via bank financing. During the Reporting Period, the Company and Fosun High Technology, a wholly-owned subsidiary of the Company, financed RMB17.67 billion in the domestic and offshore public market (including syndicated loans). Fosun High Technology issued new bonds and resold its existing puttable bonds with a total value of approximately RMB10.2 billion and raised approximately RMB1.66 billion through RMB syndicated loans from foreign banks. Fosun International obtained new offshore syndicated loans of approximately USD875 million in USD equivalents. The syndicated loan represents the Company's success fund-raising through offshore syndicated loans for six consecutive years, the Group's credit has been continuously recognized of by both Chinese and foreign banks. While maintaining the stable financing channels and optimizing the financing cost structure, the Group also has proactively been managing debt maturities in advance and improved its debt maturity profile by means of tender offer and purchase of its own bond in the secondary market. In June 2022, Fosun International announced a tender offer to repurchase all the bonds that will be puttable or mature in the second half of 2022. And up to the end of July 2022, the Group had tender offered/repurchased/purchased altogether USD366 million equivalent of face value of Fosun International's bonds. Meanwhile, the Group also actively explored new financing channels. During the Reporting Period, Fosun High Technology successfully issued USD150 million worth of Shanghai Free Trade Zone bonds and RMB2 billion worth of Hainan Mining exchangeable bonds, with three years tenor for both issue, effectively optimizing the bond duration and expanding the investor base.

As at the end of the Reporting Period, the Group's total debt to total capital ratio was 56.8%, which was 3.0 percentage points higher than that as of the end of last year. Its cash and bank balances and term deposits reached RMB117.65 billion. The average cost of debt was 4.50% during the Reporting Period, reflecting the Group's stable and healthy financial position.

Pursuing growth with core competencies, maintaining resilience and fostering capabilities to drive future development

Building up global presence to create value of businesses.

As a global enterprise rooted in China, the Group thoroughly develops the Chinese market and at the same time has been building up its global operation and investment capabilities based on its business presence in over 30 countries and regions around the world. It linked up its various businesses and resources in different countries and regions, actively expanded the geographical markets of the Group's member companies and facilitated the rapid development of such member companies' business outside their home countries. Benefiting from the Group's global business presence and capability of generating synergy within the ecosystem of its businesses, the Group's various businesses further strengthened their global business in the first half of 2022. Overseas revenue amounted to RMB38.76 billion, which grew by 30.7% year-on-year and accounted for 46.8% of the total revenue. Since its launch, a cumulative total of over 30 million doses of Comirnaty® (mRNA COVID-19 vaccine), which had been jointly developed by Fosun Pharma and BioNTech, were sold in Hong Kong, Macau and Taiwan region. In this January and March, it was licensed by the Medicines Patent Pool (MPP) to produce and supply the generic version of Merck's oral COVID-19 antiviral medicine Molnupiravir and Pfizer's oral COVID-19 treatment Nirmatrelvir as well as the combination of Nirmatrelvir/Ritonavir to low- and middle-income countries in the agreed regions around the world. The licensed scope of production included the active pharmaceutical ingredient (API) and finished drug, thus continuing to contribute to the global fight against the pandemic; After years of profound industrial operation, Lanvin Group has developed into a fashion group covering high-end fashion, skin-friendly clothing, shoes, leather goods and other multi-brand and multi-product lines, and its business covers major markets around the world. In the first half of 2022, Lanvin Group announced that it plans to be listed on the New York Stock Exchange by merging with Primavera Capital Acquisition Corporation to create a global luxury fashion group; the 2.6 million-tonnes coke project of Nanjing Iron & Steel in Indonesia was successfully put into production in this May.

BUSINESS OVERVIEW

Accelerating development of businesses in the ecosystem and promoting win-win cooperation.

The Group 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 ecosystem. It has formed a “multiplier growth” effect on the Group’s business development through a series of strategic measures and management tools to facilitate the profound development of its businesses worldwide. The Group has always regarded “C-end Top Priority” as the core strategy of its FC2M Ecosystem. The Group is committed to making good use of the internet platform and other digital solutions to attract and serve users via both online and offline channels to create value for both its customers and ecosystems. As at the end of the Reporting Period, the Group’s ecosystem has created a total value⁴ of approximately RMB3.8 billion. The cumulative number of operational members⁵ of the Group amounted to 414 million. The number of newly registered members in the first half of 2022 was 18 million. The Group’s two top C-end platforms achieve upgrades and growth continuously. Specifically, Fosun Alliance has facilitated cross-sector consumption from 40% of its active members after launching the Internet platform, and Fosun Health has accumulated 18.14 million registered users, and collaborated with nearly 50 external and internal enterprises in carrying out innovative cooperation within the ecosystem. The high-quality products and services created by the Group are meeting the needs of household customers in various fields, forming the base of the Group’s ecosystem.

Leading the industry in technology innovation and nurturing future potential.

The Group has always valued the power of technology and innovation. It has built up profound technology and innovation capabilities through the continuous accumulation of experience at its businesses and investment in research and development (“R&D”), and has continued to invest heavily in technology and innovation capabilities. In the first half of 2022, it invested approximately RMB4.6 billion⁶ in total to foster its technology and innovation capabilities. During the Reporting Period, HANSIZHUANG® (汉斯状®), a PD-1 monoclonal antibody product self-developed by Shanghai Henlius, was conditionally approved by the National Medical Products Administration (NMPA) for the treatment of adults with advanced unresectable or metastatic microsatellite

instability-high (MSI-H) solid tumors that have failed to respond to the standard therapy; combining the scientific research achievements of domestic universities, internationally cutting-edge technologies and patents independently developed by cosmetics research centers, Yuyuan has created “YOGAN (愈感)”, its first functional skin care product brand which is fully independently developed and incubated; by the end of 2021, the Group owned a total of over 1,500 patents for inventions. These patents will be continuously transformed into the Group’s productivity with the support of the Group’s global business presence and continuous innovation capabilities.

Building the FES system and transforming core advantages.

FES is a business system for the efficient management of enterprises. Such system has been evolving through practice and is aimed at building the core competitiveness of a long-standing enterprise and cultivating talents with Fosun’s values of entrepreneurship. It can help enterprises to foster a corporate culture that encourages them to take up the challenge of meeting high expectations and actively expose problems in the business process, find the root cause of problems through FES tools, formulate effective countermeasures, improve problem-solving capabilities, and eliminate problems through standardized process systems. Such system helps enterprises achieve sustainable and healthy multiplier growth. In the first half of 2022, FES has yielded remarkable results. In particular, 20 FES tools have been refined and certified, and over 200 FES experts at veteran, senior, junior and other levels have been certified, with more than 1,200 improvement projects in progress in the first half of the year, and the value of cost reduction and efficiency enhancement of completed projects exceeding RMB1 billion. The FES management system has been promoted and applied in Fosun’s various businesses. For example, Club Med Joyview utilizes the VSM⁷ tool to optimize the process of opening resort business, reducing the preparation time for opening business from nine months to six months and enabling the opening of multiple shops at the same time; Fosun’s various businesses also develop marketing strategies and tiered tactical plans and action plans with the Growth Room tool in order to track their business performances and ensure that they can meet performance targets.

4 Value created by the Group’s ecosystem refers to the revenue contribution (before intercompany eliminations) directly or indirectly created by companies within the Fosun ecosystem for other companies within the ecosystem, including but not limited to cross-selling, product co-creation, membership contribution, membership sales transformation, and sales collaboration within the ecosystem, joint industrial investment, financing cooperation empowerment, industrial resource coordination, etc.

5 An operational member is defined as a consumer who has agreed to the brand’s official membership terms and conditions and granted privacy in any channel, has actively retained personal information including phone number, and is identifiable, reachable and traceable. From 2021 onwards, this statistic includes consumers within the Fosun Health ecosystem.

6 Investment of technology and innovation includes scientific research investment (expensed and capitalized), but excludes digitalization expenses.

7 VSM: Value Stream Mapping

BUSINESS OVERVIEW

Adhering to the original aspiration to drive sustainable development

The Group has always adhered to the values of "Self-improvement, Teamwork, Performance and Contribution to Society", and the aspiration of developing business for good with a customer-oriented focus. As a participant in the United Nations Global Compact ("UNGC"), after thirty years of operations, the Group fully supports the ten principles of UNGC in the areas including human rights, labor, environment and anti-corruption, relentlessly integrating such principles into Fosun's ESG strategies, and actively engaging our member companies in the implementation of ESG strategies. In order to further strengthen our sustainable development management, the Company has set up ESG Executive Committee and ESG Management Committee under the ESG Board Committee for supervision over ESG work in pursuit of "maintaining steady and sustainable growth". In the course of continuous development, Fosun has leveraged its increasingly sophisticated business ecosystem to actively promote community development, improve people's livelihood and social welfare by fighting against the pandemic, assisting in fighting against malaria in Africa, providing flood relief, running the Rural Doctors Program, and fostering education, culture and entrepreneurship. Moreover, the Group also made a commitment to the society in 2021 – "to achieve emission peak by 2028 and carbon neutrality by 2050", and contributes to the 1.5°C target of *Paris Agreement* by developing effective strategies for mitigating and adapting to climate change.

The Group has received strong recognition from professional institutions around the world for its excellence in ESG. As at the end of the Reporting Period, the Company had an MSCI ESG rating of AA, and it was the only conglomerate in Greater China with an MSCI ESG rating of AA, and was selected as a constituent of the MSCI CHINA ESG LEADERS 10-40 index. It received a rating of A in the Hang Seng Sustainability Index. Its FTSE Russell ESG rating and S&P CSA Score were also higher than the industry average, significantly ahead of the domestic market. Moreover, Fosun International has been included in the FTSE4Good Index Series for the first time. The Company was also selected as one of the constituents of the Hang Seng ESG 50 Index (Top 50 Mid-Large Cap), and was included in Hang Seng Corporate Sustainability Benchmark Index for two consecutive years.

HEALTH SEGMENT

The Health segment of the Group focuses on the ecosystem of pharmaceutical business (Fosun Pharma, Shanghai Henlius and Gland Pharma), devices and diagnosis business (Sisram Med) and the business of healthcare services and products (Fosun Health), and adheres to the "4 IN" strategy (Innovation, Internationalization, Integration, Intelligentization) to continuously improve its product competitiveness and brand value. In recent years, with the evolution of social development and population aging, innovative drug research and development, innovative medical devices and medical diagnostics are opening up development opportunities, and the demand for quality medical products and services has increased significantly. At the same time, with the deepening of China's medical and health system reform, new policies such as centralized drug procurement speed up the process of reducing deficit in medical insurance funding, thus bringing a revolutionary challenge to the industry. The Group will continue to upgrade its innovation, integration and internationalization capabilities. Meanwhile, it will build a medical-grade, one-stop Fosun health ecosystem for all scenarios on the C-end, as well as a matrix of diverse, distinctive and innovative products on the M-end.

Fosun Pharma is a global pharmaceutical and healthcare group rooted in China that is driven by innovation. Its direct operations include pharmaceuticals, medical devices and medical diagnosis, and healthcare services, and has branched out into the wholesaling and retailing of pharmaceuticals by taking an equity stake in Sinopharm. Putting patients first and orienting itself towards clinical needs, Fosun Pharma enriches its innovative product pipeline by adopting a model of diverse and multi-level cooperation which encompasses independent R&D, product development through cooperation, introduction of products under franchise and in-depth incubation. Fosun Pharma has built and developed technology platforms for small molecule innovative drugs, antibody drugs and cell therapy for key diseases and areas such as tumor and immune modulation, metabolism and alimentary system, and central nervous system. It also actively explores cutting-edge technologies and fields such as RNA, antibody-drug conjugate (ADC), gene therapy and targeted protein degradation to enhance innovation capabilities. Under the strategic guidance of "4 IN", Fosun Pharma is striving to become a first-class enterprise in the global pharmaceutical and healthcare market. In addition, relying on the open-style R&D ecology, a forward-looking international layout, a systematic commercialization team and years of domestic industry experience and global channel network, Fosun Pharma has become the preferred domestic partner of world-renowned multinational pharmaceutical companies. Fosun Pharma's industry-leading two-way licensing capability helps maximize the value of self-developed products

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and partnered innovative products, and accelerate the R&D and transformation of innovative technologies and products. With accumulation of experience over the years at its operations in China, Fosun Pharma has become a trusted domestic partner of Intuitive Surgical, Kite Pharma, Amgen, Organon and various other world-leading companies and work with them to promote innovative products that benefit more Chinese patients. Fosun Pharma will continue to seek more opportunities to cooperate with world-leading pharmaceutical enterprises in improving products' accessibility and affordability to satisfy the unmet clinical needs of patients worldwide.

Shanghai Henlius is a global innovative biopharmaceutical company dedicated to providing affordable, high-quality biomedicines to patients worldwide, with products covering oncology, autoimmune diseases, ophthalmic diseases and other areas. Since its establishment in 2010, Shanghai Henlius has built an integrated biopharmaceutical platform with efficient and innovative core capabilities across the entire value chain of the industry that encompasses R&D, manufacturing and commercial operations, and established comprehensive and efficient global innovation centers. The production facility in Xuhui, Shanghai has also received GMP certification in China and the EU. Shanghai Henlius is stepping up innovation and transformation, and continues to build up a reserve of differentiated innovative products in the pipeline, thereby enhancing its global product development capabilities, to evolve from Biotech model to Biopharma model that is more scaled up and competitive in the market.

Sisram Med, a global consumer wellness group, is deeply rooted in the global medical aesthetics industry for over two decades, specializing in harnessing natural energy sources for the treatment of aesthetics as well as medical clinical indications. Sisram Med's products and services are featured in the leading surgical, medical and beauty clinics around the world, treating dozens of millions of consumers worldwide. Sisram Med's vast products and treatments portfolio is constantly expanding, ranging from hair removal, skin rejuvenation, acne and acne scars, body & face contouring, pigmentation & skin resurfacing, fat grafting, dermal facial fillers, skin tissue remodelling injectables, personal care, aesthetics and digital dentistry and more. Its wellness ecosystem provides a diverse product portfolio and builds a customer-centric brand. Its businesses include medical aesthetic equipment, injectables, aesthetic dentistry and personal care, etc. The sales and distribution network of Sisram Med covers more than 90 countries/regions around the world.

Gland Pharma is one of the largest and fastest growing companies specializing in generic injectables in India. Its main products include: cardiac (Enoxaparin Sodium), hematological system (Heparin Sodium), anti-infective (Vancomycin,

Caspofungin, Daptomycin, Micafungin, Remdesivir), central nervous system (Dexmedetomidine, Rocuronium Bromide), and other injections. Over the years, Gland Pharma has grown from a contract manufacturer of small molecule liquid parenteral products to one of the largest and fastest growing companies specializing in generic injectables in India, with a global presence in more than 60 countries. With eight manufacturing sites in India, Gland Pharma continues to strengthen its international production capacities. Meanwhile, Gland Pharma is continuing to invest in R&D and manufacturing capabilities, strengthen vertical integration, expand API production capacity to reduce dependence on outsourced APIs, and accelerate growth through mergers and acquisitions to branch out into new businesses, including complex technology product platforms (e.g. long-acting/suspension products) and complex API production technologies (e.g. fermentation technologies). During the Reporting Period, Gland Pharma adhered to its strategy of international research and development and insisted its strategy of bringing such pharmaceuticals to the Chinese market.

Building a medical-grade, one-stop health business ecosystem for all scenarios, Fosun Health is committed to becoming a leader in active health management for Chinese family. At present, Fosun Health focuses on medical services, specialized medical treatment and health management, providing users with online and offline integrated and accessible diagnosis and treatment solutions as well as health management services such as consultation and purchase of medicines, health science popularization, physical examination and testing, offline diagnosis and treatment and patient management through the online "Fosun Health" APP, mini programs, and offline medical institutions in China's five economic belts, namely the Greater Bay Area, the Yangtze River Delta, the Jing-Jin-Ji (Beijing-Tianjin-Hebei), Central China and Chengdu-Chongqing.

HAPPINESS SEGMENT

The Group targets the consumption needs of family customers in the happiness aspect. Through the twin-driver strategy of "profound industry operations + industrial investment", it builds a globalized happiness ecosystem covering the whole value chain of the industry. Centering on brand consumption, tourism and leisure, the Group actively organizes teams of people, arranges for venues and creates goods to meet customers' needs directly. The platforms for brand consumption business include Yuyuan, Lanvin Group and Fosun Sports, which engage in such businesses as jewellery 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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Yuyuan is one of the earliest witnesses, participants and builders of China's capital market. After the completion of major asset restructuring in 2018, Yuyuan became the flagship platform of Fosun's Happiness segment. Leveraging the Group's global platform and resource empowerment system, Yuyuan is gradually focusing its strategic vision on family customers, and continues to develop the "1+1+1" strategy (i.e. running "family happiness consumption industry + urban commercial landmarks + online and offline member service platforms"). At present, Yuyuan promotes the priority concept of "lifestyle with oriental aesthetics", adheres to the strategy of developing business with the twin drivers of industry operations and industrial investment, and owns 18 Chinese time-honored brands and a number of leading brands, as well as a number of globally well-known brands, including Songhelou (松鹤楼), Laomiao (老廟黃金), AHAVA and DJULA, etc. Yuyuan will continue to accelerate the process of building up its global business presence, popularize the concepts of lifestyle with oriental aesthetics, and aspires to develop itself into the world's first-class group in the family entertainment and consumption industry.

As an important part of "happiness consumption", "a bottle of good liquor" is also a catalyst for the maturation of the Group's ecosystem of businesses oriented towards the needs of families worldwide. Since the Group invested in the spirits business, it has continued to drive its strategic business development and build up its ecosystem of resources, boosting consistently sales in key markets across China.

Shede Spirits, an important member of the Group's liquor and spirits businesses, is principally engaged in the design, manufacture and sales of liquor and spirits products, with "Shede" (舍得) and "Tuopai" (沱牌) as its core brands and cultivated brands such as "Tianzihu" (天子呼), "Tunzhihu" (吞之乎) and "Shebude" (舍不得). In recent years, Shede Spirits has pressed ahead with a "dual branding strategy", a "classic liquor strategy", a "strategy of appealing to the youth" and an "internationalization strategy", focusing on improving brand awareness, actively increasing market share, striving to achieve the strategic goal of "becoming the most culturally distinct, benchmark enterprise in the ecosystem of brewing businesses, and building the No. 1 brand in the classic liquor and spirits category".

As a liquor and spirits enterprise controlled by the Group, Jinhui Liquor owns two brands, namely "Jinhui" and "Longnanchun" (隴南春). Leveraging the good ecological environment, advanced technique combining traditional processes and unique technology and other advantages, Jinhui Liquor continuously improves product quality and expands the market. Its marketing network has expanded from north-western China to eastern China, and is gradually building a national brand, striving to achieve the strategic goal of "ranking

among the top ten liquors in China, creating a famous liquor brand in China, and building a large liquor brewing base in China".

FTG is a global leader in family leisure and tourism and is an integral part of the Happiness segment. FTG covers three major business areas: resorts and hotels, tourism destinations, and services and solutions in various tourism and leisure settings. The resorts and hotels business consists of Club Med, a French-based all-inclusive leisure and vacation experience resort, Casa Cook, a boutique resort, Cook's Club, a new-generation trendy resort, and other brands. During the Reporting Period, with FTG's continuous development both locally and globally, FTG opened Changbaishan resort, Marbella resort and Thousand Islands Lake resort. Its tourism destinations include Atlantis Sanya, a one-stop destination for entertainment, leisure and integrated travel and vacation, FOLIDAY Town, a comprehensive international leisure and vacation destination, and Albion, a professional operator of upgraded scenic resorts and other brands. With the acquisition of Thomas Cook, one of the world's oldest travel brands, and the re-establishment of the Thomas Cook digital platforms in China and the United Kingdom, FTG's services and solutions in various tourism and leisure settings segment are now directly connected to its customers.

WEALTH SEGMENT

The Group's Wealth segment mainly consists of financial services with insurance as the core business. On the basis of achieving synergy between insurance and industrial asset allocation, it leverages the Group's profound industry operations capability and global investment capability to build an ecosystem of its global asset management businesses to help the Group's Health, Happiness and Intelligent Manufacturing segments enhance their operations.

The Wealth segment is divided into two major business segments, namely insurance and asset management. The insurance business includes overseas and domestic insurance businesses, with major member companies including Fosun Insurance Portugal, Peak Reinsurance, and Pramerica Fosun Life Insurance. The asset management business covers asset management (investment) and asset management (property). Asset management (investment) includes Fosun Capital, Fosun RZ Capital, HAL and BCP. The asset management (property) business covers comprehensive real estate projects in China, Asia Pacific, Europe and the Americas, including such asset types as residential properties, office buildings, commercial properties, hotels, infrastructure and logistics facilities, etc.

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

Authorized by the Insurance Authority of Hong Kong under the *Insurance Ordinance (Cap. 41)*, Peak Reinsurance is a global reinsurer that offers comprehensive and extensive products and services encompassing both property & casualty (P&C) and life & health (L&H) reinsurance. Peak Reinsurance strives to provide clients around the globe with innovative and tailored reinsurance, risk management and capital management solutions.

Pramerica Fosun Life Insurance is a joint venture established by 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 hold 50% equity interests in the joint venture. The businesses of Pramerica Fosun Life Insurance include life insurance, health insurance, accident insurance, and reinsurance business of the above-mentioned businesses.

Established in 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 with focuses on four major areas: new materials and intelligent manufacturing, digital economy and broad consumption, healthcare, and next-generation information technology. In the past 15 years since its establishment, Fosun Capital has launched and managed a number of assets, including fund of funds, private equity investment funds, industry investment funds with listed companies as investees and other types of equity investment funds.

Fosun RZ Capital is a global venture capital platform of the Group focusing on new technology, new energy and new fields in overseas markets, which is also one of the investment institutions with the richest industrial resources in China. Concentrating on investment in high-growth, high-tech companies in major economic growth regions worldwide for a long time, Fosun RZ Capital has developed an influential ecosystem for innovation at globalized industries.

HAL is a leading private bank in Germany with a business focus on managing, preserving, serving and trading clients' assets. HAL adopts diverse and asset-light business models for running four core businesses, namely asset servicing, private and corporate banking, investment banking and asset management.

BCP is a Portuguese bank that puts people and institutions first, providing comprehensive financial services for both individuals and corporations in markets where it operates. It mainly provides commercial banking products and services for individuals and corporations, and also provides such complementary services as investment banking and private banking services. BCP not only is the largest private bank in Portugal but also has been strengthening its position in the emerging markets in Europe and Africa, especially in Poland, Mozambique and Angola, which have close historical connections to Portugal. BCP also owns a leading digital bank called "ActivoBank".

INTELLIGENT MANUFACTURING SEGMENT

The Group's Intelligent Manufacturing segment, which mainly consists of the steel and mineral resources businesses is actively expanding into high value-added extension businesses in technology such as those engaging in industrial internet and new materials development. It is also strategically deploying resources to develop the business of equipment and core components for intelligent mobility. 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, have continued to realize rapid growth. Meanwhile, as the technology industries, which is best represented by the new energy vehicle industry, are experiencing a boom, other companies in the Group's Intelligent Manufacturing segment are expected to reap benefits from the industry's rapid development.

Through years of continual investment in developing long-material special steel products and high-end medium and thick plates products, Nanjing Iron & Steel has established advantages in the fields of new energy, oil and gas equipment, ships and offshore engineering, auto parts, construction machinery, bridges and other fields. By upgrading the "Industry Operations + Industrial Investment" strategy, Nanjing Iron & Steel has built an industrial chain ecosystem with mutual empowerment and compound growth centred on new steel materials in order to focus on industrial development and value growth. In particular, industry operations focus on the "four elements and one chain" (i.e. the "four elements" comprising new materials, environment, intelligent manufacturing and industrial Internet, and the "one chain" extending from upstream to downstream industrial chains) for precise

BUSINESS OVERVIEW

development and targeted breakthroughs, which strengthen organic business growth and core capacity building; industrial investment adopts the CVC (corporate venture capital) model, strengthens the optimization and synergy of the industrial value chain, and seeks high-quality investment in emerging sectors to strengthen its portfolio for layout planning.

Hainan Mining continued to enhance its core business and bolster its industry operations, investment and financing capabilities. During the Reporting Period, Shilu iron field and ROC under Hainan Mining continued to reduce costs and enhance efficiency through lean management. In June 2022, Hainan Mining announced that the project (Phase I) with an annual battery-grade lithium hydroxide production capacity of 20,000 tonnes will be located in Yangpu Economic Development Zone, and the implementation of the project will be accelerated. In the future, Hainan Mining will continue to seek opportunities for investment in merger and acquisition of clean energy projects that enable it to achieve long-term growth, such as upstream resources of new energy and natural gas. Moreover, during the Reporting Period, Hainan Mining launched an equity incentive plan for the first time with participants of 137 directors, senior executives and core management personnel, which can help Hainan Mining attract and retain outstanding talents.

Wansheng focuses on the R&D, production and sales of functional fine chemicals. It thoroughly develops the phosphorus-based flame retardant business, and is a leader of the world's phosphorus-based flame retardant industry. Considering the foundation of its existing businesses, the resources of Nanjing Iron & Steel's ecosystem of businesses, and the development trend of the chemical industry, together with its own current business volume and its plan for development, Wansheng classifies its future development into three categories of business segments, namely "core businesses" such as the polymer additives business, which will keep consolidating its foundation and growing stronger and larger; "developing businesses" such as the amines and daily chemical raw materials businesses which are gradually optimizing their product portfolio, expanding market shares, and striving to become leading functional daily chemical raw materials-producing enterprises in China; and "strategically important businesses" which include the new energy materials business, electronic chemicals business and biotechnology business, and will continue promoting technological innovation, step up investment in R&D, build up their business presence with foresight and seek development opportunities based on existing advantages and resources in their ecosystem of businesses. In the future, Wansheng will endeavor to become a "globally leading supplier of functional new materials" who will drive its own development with a low- carbon-emission approach and innovation.

TARGET FOR 2022

The year of 2022 marks the 30th anniversary of the founding of Fosun. After years of hard work and accumulation of experience, Fosun has established its four major business segments of Health, Happiness, Wealth and Intelligent Manufacturing, with business presence in over 30 countries and regions. It has built strong business fundamentals and great potential for further development. Against the background of the protracted and recurrent COVID-19 pandemic, the complex and ever-changing macroeconomic situations at home and abroad as well as the turbulent geopolitical landscape, the Group will give full play to its capabilities in the globalization, technology innovation, ecosystem of business and FES, adhere to the development strategy based on the twin drivers of "profound industry operations + industrial investment", and fulfill its social responsibility with its original aspiration of "Contribution to Society" so as to achieve stable and sustainable development.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, equity attributable to owners of the parent of the Group amounted to RMB126,838.3 million, representing a decrease of 3.2% compared to the end of 2021. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB2,697.0 million, representing a decrease of 32.6% compared to the same period of 2021.

As at the end of the Reporting Period, total assets of the Group amounted to RMB849,685.3 million, representing an increase of 5.4% compared to the end of 2021.

During the Reporting Period, the revenue of the Group amounted to RMB82,891.6 million, representing an increase of RMB12,448.7 million, or 17.7%, compared to the same

period of 2021. From the perspective of product lines, during the Reporting Period, revenue of pharmaceutical, devices and diagnosis, and healthcare services and products subsectors of the Health segment represents 61%, 17% and 22% of the total Health segment revenue of the Group, respectively; revenue of brand consumer and tourism and leisure of the Happiness segment represents 79% and 21% of the total Happiness segment revenue of the Group, respectively; revenue of insurance, asset management (property), asset management (investment) of the Wealth segment represents 69%, 21% and 10% of the total Wealth segment revenue of the Group, respectively; revenue of resources and environment, technology and intelligent manufacturing of the Intelligent Manufacturing segment represents 52% and 48% of the total Intelligent Manufacturing segment revenue of the Group, respectively.

REVENUE BY SEGMENT OF THE GROUP

Unit: RMB million

Segment	For the six months ended 30 June 2022	Proportion	For the six months ended 30 June 2021 (Restated)	Proportion	Change over the same period of last year
Health	23,366.6	28.0%	19,282.0	27.2%	21.2%
Happiness	32,065.4	38.4%	28,498.4	40.1%	12.5%
Wealth	22,971.5	27.5%	19,649.9	27.7%	16.9%
Insurance	15,889.0	19.0%	15,475.3	21.8%	2.7%
Asset Management	7,082.5	8.5%	4,174.6	5.9%	69.7%
Intelligent Manufacturing	5,127.0	6.1%	3,569.7	5.0%	43.6%
Eliminations	(638.9)		(557.1)		
Total	82,891.6	100.0%	70,442.9	100.0%	17.7%

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 2022	Proportion	For the six months ended 30 June 2021 (Restated)	Proportion	Change over the same period of last year
Health	286.9	10.5%	1,214.8	30.2%	(76.4%)
Happiness	(60.4)	(2.2%)	(1,226.0)	(30.4%)	(95.1%)
Wealth	1,459.6	53.5%	2,410.5	59.8%	(39.4%)
Insurance	(541.8)	(19.9%)	1,415.3	35.1%	(138.3%)
Asset Management	2,001.4	73.4%	995.2	24.7%	101.1%
Intelligent Manufacturing	1,041.0	38.2%	1,629.1	40.4%	(36.1%)
Eliminations	(30.1)		(24.0)		
Total	2,697.0	100.0%	4,004.4	100.0%	(32.6%)

ASSET ALLOCATION OF THE GROUP

Unit: RMB million

Segment	As at 30 June 2022	Proportion	As at 31 December 2021	Proportion	Change compared to the end of 2021
Health	111,974.9	13.0%	107,246.0	13.1%	4.4%
Happiness	201,324.8	23.4%	194,575.2	23.8%	3.5%
Wealth	497,764.2	57.7%	467,826.4	57.3%	6.4%
Insurance	211,679.3	24.6%	208,579.8	25.6%	1.5%
Asset Management	286,084.9	33.1%	259,246.6	31.7%	10.4%
Intelligent Manufacturing	50,456.3	5.9%	47,755.8	5.8%	5.7%
Eliminations	(11,834.9)		(11,031.3)		
Total	849,685.3	100.0%	806,372.1	100.0%	5.4%

MANAGEMENT DISCUSSION & ANALYSIS

CORPORATE STRUCTURE OF MAIN BUSINESS¹ (AS OF 30 JUNE 2022)

Health ²			Happiness ³		Wealth			Intelligent Manufacturing ⁴	
Pharmaceutical	Devices & Diagnosis	Healthcare Services & Products	Brand Consumer	Tourism & Leisure	Insurance	Asset Management (Investment)	Asset Management (Property)	Resources & Environment	Technology & Intelligent Manufacturing
Fosun Pharma ⁵ 600196.SH 02196.HK 39.63%	Sisram Med (Israel) 01696.HK	Fosun Health	Yuyuan 600655.SH 68.47%	FTG 01992.HK 80.38%	Fosun Insurance Portugal (Portugal) 84.9892%	HAL (Germany) 99.94%	28 Liberty (US) 100%	Nanjing Iron & Steel ¹⁷ 600282.SH 59.12%	Easun Technology ¹⁸ 83.70%
Shanghai Hentius 02696.HK		Luz Saúde ⁶ (Portugal) 99.85%	Jinhui Liquor ¹⁰ 603919.SH 38%	Club Med (France)	Peak Reinsurance 86.51%	Guide (Brazil) 74.47%	BFC ¹⁴ 100%	Besino Environment	Gangbao 834429.OC
Gland Pharma (India)		Shanghai Zhuli ⁷ (Fosun Care) 90.91%	Shede Spirits ¹¹ 600702.SH 30.33%	Atlantis Sanya	Pramerica Fosun Life Insurance 50%	Fosun Hani Securities 100%	IDERA (Japan) 98%	Hainan Mining 601969.SH 48.55%	Wansheng
Sinopharm 01099.HK		Sanyuan Foods ⁸ 600429.SH 20.19%	Fosun Sports 92.01%	Thomas Cook Lifestyle Platform	AmeriTrust ¹⁴ (US) 100%	Fosun Capital 100%	PAREF (France) 59.87%	ROC (Australia)	JEVE ¹⁹ 49.95%
		BabyTree ⁹ 01761.HK 29.90%	Baihe Jiayuan 72.36%		Yong'an P&C Insurance 40.68%	Shanghai Insight ¹⁵ (Fosun RZ Capital) 100%			
		Fosun United Health Insurance 20%	Bohe Health ¹² 29.85%			BCP (Portugal) 29.95%			
			Lanvin Group/FFG 72.64%			Cainiao 3.58%			
			St Hubert ¹³ (France) 98.12%						

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 2022. 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 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.
- In July 2022, Fosun Pharma has completed its non-public issuance of A shares and the equity interest in Fosun Pharma held by the Group was diluted to 38.04%.
- 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 operates "Fosun Care" brand. The Group through its wholly-owned and non-wholly-owned subsidiaries held 87.35% and 3.55% equity interest, respectively, in Shanghai Zhuli. The Group held 39.99% effective equity interest in such non wholly-owned subsidiary. Therefore, the Group held 88.78% effective equity interest in Shanghai Zhuli.
- The Group through its wholly-owned subsidiary and a consolidated fund under management of the Group held 16.45% and 3.73% equity interest, respectively, in Sanyuan Foods. The Group held 37.30% effective equity interest in such fund. Therefore, the Group held 17.84% effective equity interest in Sanyuan Foods.
- The Company and its wholly-owned subsidiary held 29.77% equity interest in BabyTree, and Fidelidade held 0.14% equity interest therein. Therefore, the effective equity interest held by the Group in BabyTree was 29.88%.
- Yuyuan held 38% equity interest in Jinhui Liquor; therefore, the Group held 26.02% effective equity interest in Jinhui Liquor.
- Yuyuan held 70% equity interest in its joint venture, Sichuan Tuopai Shede Group Co., Ltd., which held 30.33% equity interest in Shede Spirits.
- The Group through its two subsidiaries held 28.97% equity interest in Bohe Health, and Yuyuan through its wholly-owned subsidiary held 0.88% equity interest in Bohe Health. Therefore, the Group held 28.71% effective equity interest in Bohe Health.
- The Group through its 51%-owned subsidiary held 98.12% equity interest in St Hubert SAS. Therefore, the Group held 50.04% effective equity interest in St Hubert SAS.
- In April 2022, the Group entered into an agreement with an independent third party to sell the 100% equity interest in AmeriTrust. As at the end of the Reporting Period, the above transaction has not been completed.
- Shanghai Insight Investment Management Limited exclusively uses "Fosun RZ Capital" brand.
- In March 2022, the Group acquired 50% equity interest in BFC. As at the end of the Reporting Period, the Group held 100% equity interest in BFC.
- The Group held 59.12% equity interest in Nanjing Iron & Steel through Nanjing Nangang, a joint venture of the Group.
- The Group held 59.07% equity interest in Easun Technology through its wholly-owned subsidiaries and consolidated funds under its management. Therefore, the Group held 48.42% effective equity interest in Easun Technology. In addition, the non-consolidated entities in which the Group participated in the investment held 24.63% equity interest in Easun Technology.
- The Group through its wholly-owned subsidiary and a consolidated fund under management of the Group held 16.30% and 2.12% equity interest, respectively, in JEVE. The Group held 22.14% effective equity interest in such fund. Therefore, the Group held 16.77% effective equity interest in JEVE. In addition, the non-consolidated entities in which the Group participated in the investment held 31.53% equity interest in JEVE.

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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 2022	For the six months ended 30 June 2021	Change over the same period of last year
Revenue	23,366.6	19,282.0	21.2%
Profit attributable to owners of the parent	286.9	1,214.8	(76.4%)

During the Reporting Period, the revenue of the Health segment amounted to RMB23,366.6 million, representing a year-on-year increase of 21.2%. Profit attributable to owners of the parent of Health segment amounted to RMB286.9 million, representing a year-on-year decrease of 76.4%. The increase in revenue of the Health segment was mainly attributable to the product sales growth of Fosun Pharma. The decrease in profit of the Health segment was mainly attributable to price decrease of financial assets such as BNTX shares as compared with the end of 2021.

Fosun Pharma

As at the end of the Reporting Period, the Group held 39.63% equity interest in Fosun Pharma.

During the Reporting Period, the domestic epidemic spread in various provinces and cities, and the production, supply chain, logistics as well as the number of hospital offline diagnosis and treatment faced staged pressure. Fosun Pharma and its subsidiaries ("Fosun Pharma Group") responded to the local pandemic prevention and control policies and actively took countermeasures to ensure production and operation activities were conducted orderly. Fosun Pharma Group secured the production and supply of key drugs such as Han Qu You, Han Li Kang and Yi Kai Da as well as anti-epidemic materials such as nucleic acid test kits and antigen test kits for COVID-19 during the pandemic through centralized closed-loop management of front-line production personnel, increased supply chain and logistics options and other means, comprehensively assisting the prevention and control of the pandemic by focusing on prevention, detection and treatment of COVID-19.

During the Reporting Period, the revenue of Fosun Pharma Group amounted to RMB21,275 million, representing a period-on-period increase of 26.05%. Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB1,862 million, representing an increase of 18.57% period-on-period. Net

MANAGEMENT DISCUSSION & ANALYSIS

cash flow from operating activities amounted to RMB1,820 million, representing a period-on-period increase of 6.66%. Affected by market fluctuation and other factors, the price of shares in BNTX held by Fosun Pharma Group as of the end of the Reporting Period declined as compared with the end of 2021, and the net impact including fair value loss as a result of changes in the share price of BNTX was over RMB1 billion. During the Reporting Period, attributable to the losses from changes in fair value of financial assets held, Fosun Pharma Group recorded extraordinary gain or loss of RMB-308 million, representing a period-on-period decrease of RMB1,220 million. Due to the period-on-period decrease in extraordinary gain or loss, Fosun Pharma Group's net profit attributable to shareholders of the listed company amounted to RMB1,554 million during the Reporting Period, representing a period-on-period decrease of 37.39%. Fosun Pharma Group continued to increase its effort in R&D. During the Reporting Period, the R&D expenditures amounted to RMB2,399 million, representing a period-on-period increase of 22.77%, among which the R&D expenses amounted to RMB1,818 million, representing a period-on-period increase of RMB256 million or 16.39%.

During the Reporting Period, the pharmaceutical manufacturing segment of Fosun Pharma Group generated revenue of RMB14,271 million, representing a period-on-period increase of 17.18%. The segment results⁸ amounted to RMB1,890 million, representing a period-on-period increase of 39.69%. The segment profit amounted to RMB1,579 million, representing a period-on-period increase of 25.62% (excluding the losses from changes in the fair value of the shares in BNTX and gains from the sales of certain shares). During the Reporting Period, the R&D expenditures in the pharmaceutical manufacturing segment of Fosun Pharma Group amounted to RMB2,062 million, representing a period-on-period increase of 16.04%. Total R&D expenditures in the pharmaceutical manufacturing segment accounted for 14.39% of the revenue from the pharmaceutical manufacturing segment. In particular, R&D expenses amounted to RMB1,491 million, accounting for 10.41% of the revenue from the pharmaceutical manufacturing segment.

Despite the pressure of spreading domestic epidemic, during the Reporting Period, the revenue of the pharmaceutical manufacturing segment maintained continuous growth, with product structure continued to be optimized. The growth was mainly due to: 1) revenue contribution from new products and sub-new products: Comirnaty (mRNA COVID-19 vaccine) continued to be supplied to Hong Kong, Macau and Taiwan. During the Reporting Period, more than 8 million doses were sold in Hong Kong, Macau and Taiwan (more than 30 million doses have been sold since the launch of the vaccine).

The pediatric formulation was approved for vaccination for children aged 5 to 11 in Macau and Taiwan region, China in April and May 2022 successively. Han Qu You (trastuzumab for injection) achieved capacity upgrade in May 2022, with a cumulative revenue of RMB813 million in the first half of the year, representing a period-on-period increase of 150.15%. Han Li Kang (rituximab injection) achieved revenue of RMB819 million in the first half of the year. New indication Rheumatoid arthritis (RA) was approved for launch in February 2022. Su Ke Xin (avatrombopag maleate tablets) achieved revenue of RMB360 million in the first half of the year; 2) upon being approved for launch in March 2022, Han Si Zhuang (serplulimab injection) accelerated its market access and quickly gained market recognition; 3) with the normalization of centralized procurement and the continuous control of selling expenses by Fosun Pharma Group, the revenue and profit of Fosun Pharma Group's generic drugs tended to be stable.

Fosun Pharma Group continuously promoted innovation transformation and the development and launch of innovative products. During the Reporting Period, Han Si Zhuang (serplulimab injection), the first self-developed biopharmaceutical innovative drug of Fosun Pharma Group for the treatment of microsatellite instability-high (MSI-H) solid tumors, was approved for launch, and indication Rheumatoid Arthritis (RA) of Han Li Kang (rituximab injection) was approved for launch. FS-1502 (recombinant anti-HER2 humanized monoclonal antibody-monomethyl auristatin F conjugate for injection), MEK1/2 selective inhibitor FCN-159 and other innovative products have successively entered the key clinical/ approval stage. Revenue from new products and sub-new products, including but not limited to Comirnaty, Han Li Kang, Han Qu You, Su Ke Xin and Han Si Zhuang, accounted for more than 25% of revenue from the pharmaceutical manufacturing segment.

During the Reporting Period, 2 innovative drugs (indications) and 10 generic drugs (indications) of Fosun Pharma Group have been approved for launch in Chinese Mainland/the U.S.. 1 innovative drug (indication) and 18 generic drugs (indications) have been applied for launch (NDA) in Chinese Mainland. 14 innovative drugs (indications) and 9 generic drugs (indications) have been approved for clinical trials (IND) in Chinese Mainland. In July 2022, Fosun Pharma's subsidiary Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司) ("**Fosun Pharmaceutical Industrial**"), and Henan Genuine Biotech Co., Ltd.* (河南真實生物科技有限公司) entered into an agreement in relation to the strategic cooperation on, among other things, the joint development and Fosun Pharmaceutical Industrial's exclusive commercialization of Azvudine.

8 Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses, administrative expenses and research and development expenses.

MANAGEMENT DISCUSSION & ANALYSIS

Fosun Pharma Group continuously strengthened its construction of full capacity for global operation. During the Reporting Period, revenue from regions outside Chinese Mainland and other countries amounted to RMB7,592 million, accounting for 35.69% of Fosun Pharma Group's total revenue, representing a period-on-period increase of 4.89 percentage points. Relying on years of domestic industry experience and global channel network, Fosun Pharma Group has become the preferred domestic partner of world-renowned multinational pharmaceutical companies. Fosun Pharma Group's industry-leading two-way licensing capability helps maximize the value of self-developed products and partnered innovative products. During the Reporting Period, Fosun Pharma Group and Amgen's subsidiary entered into a licensing agreement regarding the exclusive commercialization of its 2 innovative drugs, namely Otezla (apemilast tablets) and Parsabiv (etelcalcetide), in Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions) to further enrich Fosun Pharma Group's innovative product layout in the non-oncology field. Shanghai Henlius, a subsidiary, has successively granted various product licenses to Organon LLC, Eurofarma Laboratorios S.A., Getz Pharma (Private) Limited and its subsidiary Getz Pharma International FZ-LLC and other companies, in order to cover incremental markets with the help of leading international partners.

During the Reporting Period, Fosun Pharma Group recorded revenue of RMB4,035 million from the medical devices and medical diagnosis segment, representing a period-on-period increase of 42.48%. After eliminating the effects from the transfer of the equity interest in Yaneng Biotechnology (Shenzhen) Co., Ltd.* (亞能生物技術(深圳)有限公司) during 2021 and others, the revenue from the medical devices and medical diagnosis segment increased by 66.25% on the same basis, segment results amounted to RMB440 million, which increased by 52.25% on the same basis, and segment profit amounted to RMB699 million, which increased by 19.97% on the same basis. The growth in medical devices and medical diagnosis segment was mainly attributable to: 1) the strong business growth of Sisram Med in major markets, such as North America and Europe; 2) revenue contribution from newly launched products such as COVID-19 antigen test kits; and 3) contribution from sales of anti-epidemic materials.

During the Reporting Period, the revenue from healthcare services segment amounted to RMB2,917 million, representing a period-on-period increase of 58.27%. Excluding the effect of the factors such as the newly acquired Guangzhou Xinshi

Hospital Co., Ltd.* (廣州新市醫院有限公司) (the Third Affiliated Hospital of Guangdong Pharmaceutical University* (廣東藥科大學附屬第三醫院)) during the Reporting Period, the segment revenue achieved an increase of 38.42% on the same basis. The revenue growth was mainly benefited from the growth of the online business and the revenue recovery of the hospitals. However, due to the increase in expenses as a result of higher investment in the technology development of the online business and hospitals being affected by the pandemic, segment results during the Reporting Period amounted to RMB-387 million, representing a period-on-period decrease of RMB368 million. Segment profit amounted to RMB-442 million, representing a period-on-period decrease of RMB427 million.

Shanghai Henlius

As at the end of the Reporting Period, the Group held 58.96% equity interest in Shanghai Henlius.

Shanghai Henlius has strong global product commercialization capability. In order to achieve continuous growth in sales scale of products, Shanghai Henlius has an experienced commercialization team covering five major segments, namely market promotion, channel management, pricing and market access, domestic sales and strategic planning. As at the end of the Reporting Period, the commercialization team employed more than 800 employees in total. With a solid new drug pipeline and a rapid clinical advancement strategy, as of 13 August 2022, being the latest practicable date for the issuance of the 2022 interim results announcement of Shanghai Henlius, 5 products (13 indications) of Shanghai Henlius have been successfully marketed in Chinese Mainland (excluding Hong Kong, Macau and Taiwan region of the PRC), 1 product has been successfully marketed in Europe and Australia, and new drug application for 3 indications of 2 products have been accepted in Chinese Mainland. In March 2022, PD-1 monoclonal antibody product HANSIZHUANG (漢斯狀®), a core innovative product self-developed by Shanghai Henlius, was conditionally approved by the NMPA. Meanwhile, Shanghai Henlius also established global cooperation with several internationally renowned partners for HANLIKANG (漢利康®), HANQUYOU (漢曲優®), HANDAYUAN (漢達遠®), HANBEITAI (漢貝泰®), HLX11 and HLX14, obtaining remarkable achievements in internationalization for self-developed products. During the Reporting Period, core products continued to expand its sales, and Shanghai Henlius recorded an operating income of approximately RMB1,289.4 million, representing a year-on-year increase of 103.5%.

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During the Reporting Period, based on clinical needs, Shanghai Henlius has orderly organized the development of innovative products. As at 13 August 2022, Shanghai Henlius has carried out a total of more than 20 clinical trials for 13 products and 12 combination therapies in an orderly manner in various countries/regions. As at the end of the Reporting Period, Shanghai Henlius has established a global product development team with more than 400 staff. During the Reporting Period, Shanghai Henlius recognized R&D expenses of approximately RMB827.4 million, representing an increase of approximately RMB88.1 million or approximately 11.9% compared with RMB739.3 million in the same period in 2021.

As at the end of the Reporting Period, Shanghai Henlius with a total commercial production capacity of 48,000L has fully supported the commercialization needs of domestic and overseas approved marketing products. During the Reporting Period, the Songjiang First Plant, in which the drug substance west line and east line (with a total production capacity of 24,000L), drug product line and packaging line for the production of HAN QU YOU, has passed the drug GMP compliance inspection and it has a quality management system that meets the requirements of China's GMP regulations. In May 2022, HAN QU YOU for production site change, production process optimization and production scale expansion of drug product etc. was approved by the NMPA. The Songjiang First Plant was approved to commence commercial production of HAN QU YOU under the optimized new production process in Chinese Mainland. Besides, during the Reporting Period, the Songjiang First Plant has passed certification by Qualified Person (QP) from EU, indicating that the Songjiang First Plant and its supporting quality management system meet the requirements of EU's GMP regulations. As at the end of the Reporting Period, Shanghai Henlius' production capacity of 96,000L was under construction, and it is expected to reach a total production capacity of 144,000L in 2026, with an aim to gradually improve and enhance large-scale commercial production capacity based on a sound quality management system, so that it can expand capacity and improve economic cost-effectiveness while maintaining high quality standards.

Gland Pharma

Established in 1978, Gland Pharma is one of the largest and fastest growing, generic injectables manufacturing companies in India. In 2003, its flagship sterile injection plant in Hyderabad, India, with multiple delivery formats and production capabilities, received its first approval from the U.S. Food and Drug Administration (FDA). Gland Pharma has a consistent compliance record and its manufacturing facilities have been approved by regulatory authorities of various countries around the world, including FDA (US), MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV (Germany).

Gland Pharma has a presence in the U.S., Canadian, European, Australian and Indian markets. In addition to these markets, Gland Pharma has also strategically increased its business presence in the "Rest of the World" (ROW) markets to further strengthen its global position. During the Reporting Period, core markets which include the U.S., Europe, Canada and Australia have contributed 72% of the revenue. Rest of the world markets and domestic market of India have contributed 15% and 13% of the revenue respectively. Gland Pharma is also building foundation to enter Chinese markets in collaboration with Fosun Pharma.

Gland Pharma's main products include: cardiac (Enoxaparin Sodium), hematological system (Heparin Sodium), anti-infective (Vancomycin, Caspofungin, Daptomycin, Micafungin, Remdesivir), central nervous system (Dexmedetomidine, Rocuronium Bromide), and other injections.

Fosun Pharma Group acquired approximately 74% equity interest in Gland Pharma in October 2017. Fosun Pharma has business relationships in China and Africa and the acquisition provides Gland Pharma with access to these two core growth markets for injectables. In November 2020, Gland Pharma was successfully listed in India with the largest initial public offering (IPO) of INR64.795 billion in the Indian healthcare industry. As at the end of the Reporting Period, Fosun Pharma Group held 57.87% equity interest in Gland Pharma.

Over the years, Gland Pharma has grown up from a contract manufacturer of small volume liquid parenteral products to one of the largest and fastest growing generic injectables manufacturing companies in India with a global footprint across over 60 countries. Gland Pharma has a track record of supporting the requirements of global pharmaceutical companies for a wide range of injectables through B2B model. Its B2B model covers Intellectual Property led, Technology Transfer and contract manufacturing models. In addition, in the Indian market, Gland Pharma also adopts B2C model through which its products mainly targeted at end consumers such as hospitals, nursing homes and government agencies. The unique and significant advantages of Gland Pharma in the entire pharmaceutical value chain have helped it to achieve exponential growth. Gland Pharma is now exploring to foray into complex injectables and Biologic/Biosimilar CDMO (Contract Development Manufacture Organization) business after delivering excellence over the past four years in small molecule generics injectables.

With its 8 production facilities in India, comprising 4 operational formulations facilities with a total of 28 production lines and 4 API facilities, Gland Pharma continues to strengthen its manufacturing capabilities. The formulation manufacturing

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facilities consist of 2 multiple sterile injectables facilities, 1 dedicated Penems facility and 1 oncology facility. During the Reporting Period, Gland Pharma adhered to the international R&D strategy, and a number of generic drugs were approved for launch, and the strategy to introduce these products into the Chinese market continued. During the Reporting Period, Gland Pharma's revenue was INR19,420 million, representing a year-on-year decrease of 4.8%. This is primarily due to continued challenges in non-availability of APIs and primary packing materials which caused delay in production during the Reported Period, apart from higher base of previous year due to COVID-19 related sales in last year. (Note: Based on Gland Pharma's financial statements in its presentation currency).

Going forward, Gland Pharma will continue to invest in R&D and production capabilities, strengthen vertical integration and expand API production capacity to reduce dependence on APIs purchased externally. Meanwhile, Gland Pharma will accelerate its 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

As at the end of the Reporting Period, the Group held 71.13% equity interest in Sisram Med.

During the Reporting Period, Sisram Med recorded total revenue of USD174.5 million, an increase of 39.3% as compared with the same period of last year; gross profit of Sisram Med amounted to USD99.6 million, an increase of 39.4% as compared with USD71.5 million for the same period of last year; profit attributable to shareholders of the company was increased by 25.9% to USD20.6 million as compared with the same period of last year; R&D investments increased by 3.5% to USD8.3 million as compared with USD8.1 million for the same period in 2021.

For the energy-based devices business, in March 2022, Sisram Med announced the launch of Alma TED™ and CBD+ Professional Skincare Solution™ for the U.S. market to further optimize its product portfolio. Alma TED™ is an ultrasound-based system with a propriety tip engineered with the Impact Delivery™ that offers a non-invasive and non-traumatic therapy to address the growing hair loss concerns in the market. CBD+ Professional Skincare Solution™ is the first professional skincare solution that combines the scientific benefits of full-spectrum cannabidiol (CBD), shown to visibly reduce redness and calm the appearance of stressed skin.

For the injectables business, in January 2022, Sisram Med agreed to contribute RMB2.6 million for the investment in Tianjin Xingsiyi Bio-technology Co., Ltd. ("**Tianjin Xingsiyi**"), and will hold approximately 10.4% of the total issued shares of Tianjin Xingsiyi upon completion. Tianjin Xingsiyi will be set up to engage in the R&D, technical services and supply of silk fibroin-sodium hyaluronate composite gel- and facial implant thread-products.

For the home-use personal care business, in March 2022, Sisram Med launched LMNT, a new personal care brand, to tap into the home-use personal care market, which is designed to achieve skin rejuvenation through multiple dimensions such as giving an instant glow and promoting collagen production in the comfort of consumers' homes.

For the dental business, in March 2022, Sisram Med announced its investment of RMB35 million into Fuzhou Rick Brown Bio-technology Company Limited ("**Fuzhou Rick Brown**"). Immediately upon the completion of the investment, Sisram Med will hold 23.2% of the enlarged equity interest in Fuzhou Rick Brown. Fuzhou Rick Brown is an innovative bio-glass developer and manufacturer for aesthetic, computer assisted design and manufacturing of restoration material and unique non-invasive veneers. Following the completion of the investment, Sisram Med's aesthetics and digital dentistry division will distribute the products of Fuzhou Rick Brown in the PRC and international markets.

During the Reporting Period, Sisram Med also expanded its channels. In June 2022, Sisram Med announced the establishment of a direct business channel in the United Kingdom to enable it to respond to product performance and customer feedback more efficiently and effectively, build genuine relationship and customer loyalty with end users, and strengthen its brand image and product competitiveness in the United Kingdom.

Fosun Health

Taking "medical-grade, full-scenario and one-stop health ecosystem" as its vision and "making families healthier and life better" as its mission, Fosun Health provides users with one-stop healthcare services based on medical-grade trust and closed-loop solutions throughout the treatment course, and strives to become a "leader of active family health management".

While impacts of the COVID-19 pandemic remained serious in the first half of 2022, Fosun Health is committed to exploring an integrated online and offline service model to promote the digital transformation of medical services.

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As at the end of the Reporting Period, Fosun Health obtained a total of eight internet hospital licenses, including that of Yinchuan Fosun Internet Hospital, Tianjin Fosun Internet Hospital and six internet hospitals of medical institutions inclusive of Foshan Fosun Chancheng Internet Hospital. Meanwhile, Fosun Health actively facilitated the application for the licenses of internet hospitals in other regions, aiming to connect online and offline scenarios through the establishment of an internet medical platform.

In terms of regional healthcare, Fosun Health reinforced its regional healthcare model and formed a regional healthcare network covering key areas such as the Greater Bay Area and Yangtze River Delta. As at the end of the Reporting Period, the hospitals controlled by Fosun Health had a total of 5,732 authorized beds. The number of registered health management users also increased by 45 times year-on-year. At the same time, Fosun Health continued to focus on enhancing medical disciplines. Foshan Fosun Chancheng Hospital has been accredited as a "14th Five-Year Plan" high-level key medical specialty of Foshan, while Anhui Jimin Cancer Hospital has commenced in-depth cooperation in specialty alliance with the First Affiliated Hospital of Anhui Medical University.

In terms of specialized medical care, Fosun Health entered into digital business cooperation with thousands of hospitals as at the end of the Reporting Period, and there are more than 60,000 collaborating doctors registered and certified on the platform, achieving innovative breakthroughs in the field of specialized diseases such as oncology and chronic kidney diseases. At the same time, by integrating the specialty resources of its hospitals, Fosun Health also established 12 major specialty alliances, including obstetrics and gynecology, cardiology, rehabilitation, orthopaedics and etc., to promote the vertical connection among the specialties of its member hospitals, and build a doctor group model by introducing a team of leading experts in various specialties to improve the level of discipline. During the Reporting Period, top specialists in urology and neurosurgery were introduced into the controlled medical institutions, and the doctor group model was put into operation.

In terms of health management, Fosun Health provides users with health products and services based on its specialized service capabilities and disease journey. Through cooperation with medical institutions, pharmacies, insurance companies and enterprises, Fosun Health reaches out to users precisely and builds an extensive fulfilment network with various medical institutions, health service providers, pharmacies and online platforms to provide one-stop health services based on medical-level trust. As at the end of the Reporting Period, the

monthly consultation volume increased by five times compared with the beginning of the year; and the prescription service covers over 40,000 partner pharmacies. Fosun Health joined hands with GuoDa Drug Store and Sinopharm Health Online to innovate payment solutions, initially forming the "healthcare, medicine and insurance" model.

Looking forward to the second half of 2022, the healthcare industry will face both challenges and opportunities. Fosun Health will continue to advance its integrated online and offline service strategy, optimize its products and services, expand the construction of its competitive disciplines, accelerate the internet transformation of healthcare industry, further promote breakthroughs in the field of consumer medical care, and enhance its operation, management and internationalization capabilities. Fosun Health will continue to pay attention to merger and acquisition opportunities of excellent enterprises abroad and at home, so as to support and facilitate the development of digital-based industrial internet.

Fosun Care (Shanghai Zhuli Investment Co., Ltd.)

Fosun Care is a brand covering multi-level health and elderly care services formed by the Group around the vision of "creating happier lives for families worldwide" and promoting innovation and service upgrading in the healthcare industry. Shanghai Zhuli, established in 2014, operates the brand "Fosun Care" and carries out its principal business through several investees, such as Shanghai Starcastle Senior Living Investment Management Co., Ltd. As at the end of the Reporting Period, the Group held 90.91% equity interest in Shanghai Zhuli. There are four major brands under Fosun Care, namely "Starcastle", "Xingjian", "Feng-Lin" and "Xingxiang", covering elderly care, integrated medical care, rehabilitation and nursing, community health, nursing, digital and intelligent platforms.

Since its establishment in 2012, Fosun Care has insisted on the Eden⁹ philosophy of elderly care and its lean management system, and maintained a refined operation mode of high standard, high quality and high efficiency as always. It has listed in the top 10 of the "Excellent Index · Excellent Performance in the Operation of Elderly Care Institutions" authoritative ranking issued by Guandian Index Research Institute for two consecutive years, demonstrating the comprehensive strength of Fosun Care. As at the end of the Reporting Period, Fosun Care invested in and operated elderly care and nursing institutions in Beijing, Shanghai, Ningbo, Suzhou, Tianjin and other cities, with a total of over 11,000 beds held. In the first half of 2022, revenue of Fosun Care amounted to RMB83.65 million, representing a year-on-year increase of 25.71%.

9 Eden refers to the advanced elderly care concept founded by Dr. Bill Thomas. Eden principle means that life is continuous growth.

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In terms of ecosystem synergy, Fosun Care proceeded with the healthcare complex project of Chancheng Hospital, which is scheduled to commence operation by the end of 2022. Meanwhile, Fosun Care worked closely with insurance companies. The innovation and marketing of the “large-sum annuity insurance + senior community residency rights” insurance product in cooperation with Pramerica Fosun Life Insurance and AEON Life Insurance Company, Ltd. helped boost large-sum insurance sales, forming a tie-up and synergy between the insurance and health and wellness industries. With the assistance from Fosun Care, Pramerica Fosun Life Insurance acquired more than 900 relevant insurance policies in total during the Reporting Period.

In the future, focusing on “medical care, wellness, healthcare and enjoyment (醫、養、康、享)” as its core businesses, regarding its own asset management and operation capabilities as the cornerstone, and leveraging its “FEB+3C”¹⁰ refined operation system, Fosun Care will build a digital and intelligent 3C system for health and wellness communities, achieve a full-scenario digital platform, promote the health and wellness industry and healthy hive in an all-round way, and put the important role of “healthy hive” in the hive system into practice. At the same time, Fosun Care will push forward the launch of industry funds, contrive the “1+1>2” ecological aggregation effect of “insurance + elderly care”, accelerate the expansion of the track of the health and wellness industry, and seek multiplier growth in the sub-sectors, in order to make consistent efforts into taking lead in the new track of high-quality elderly care, build a new platform for top-trending elderly care, and aim at becoming the benchmark in China’s elderly care industry.

Fosun United Health Insurance

Established in January 2017, Fosun United Health Insurance is the sixth professional health insurance company in China jointly sponsored by the Group and 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 always focuses on the track of health insurance, and has developed special health protection products catering to the healthcare needs of Chinese families and enterprises. Since its establishment, Fosun United Health Insurance has provided more than 160 special insurance products and health management services to Chinese families and corporate customers, including 14 products with new sales volume of more than RMB10 million during the first half of 2022.

Fosun United Health Insurance pursues the exploration of a distinctive, professional and ecological business model for health insurance, and is committed to building an O2O comprehensive managed health service platform which integrates online and offline core ecosystems. In the first half of 2022, facing the adverse impacts such as the spread of the COVID-19 pandemic in its major business areas and the slowdown in the growth of the domestic life insurance market, Fosun United Health Insurance made good use of its ecosystem, customer operation, innovation impetus, technological innovation and digital intelligence, and recorded insurance revenue of RMB2,026 million, representing a year-on-year increase of 13%. Fosun United Health Insurance served more than 6.55 million customers in total. During the Reporting Period, the number of new customers exceeded 190,000, and the number of newly registered members of the official client application “Kang You Wei (康有唯)” exceeded 80,000.

In the second half of 2022, regarding “protecting the healthy life of hundreds of millions of Chinese families” as its mission, Fosun United Health Insurance will develop a membership operation system centering on family customers, treat elderly care, rehabilitation, and maternal and child businesses as top priority, and build a comparative advantage in the segmented market competition. Focusing on value enhancement, transformation and development, Fosun United Health Insurance aims at rapid growth in insurance revenue, further optimization of business structure and steady improvement in profitability, so as to create greater value for shareholders and customers.

10 FEB refers to the acronym of FTE (lean management) + Eden (idea) + Buddy (resident partner), which represents the soft power of Fosun Care’s refined operation. 3C refers to CareBox (full-cycle health management system), CareHome (smart home) and CareRobot (digital and intelligent operation and management terminal), showing the hard power of Fosun Care.

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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 2022	For the six months ended 30 June 2021 (Restated)	Change over the same period of last year
Revenue	32,065.4	28,498.4	12.5%
Loss attributable to owners of the parent	(60.4)	(1,226.0)	(95.1%)

During the Reporting Period, revenue of the Happiness segment amounted to RMB32,065.4 million, representing a year-on-year increase of 12.5%, which was mainly attributable to the strong revenue growth of FTG. The loss attributable to owners of the parent of the Happiness segment amounted to RMB60.4 million, representing a decreased loss of 95.1% as compared with the same period in 2021, mainly due to the continuing recovery of FTG's overseas business.

Yuyuan

As at the end of the Reporting Period, the Group held approximately 68.47% equity interest in Yuyuan.

The businesses of Yuyuan mainly comprise of consumer retail and real estates with composite functions. In particular, consumer retail includes jewelry and fashion, cultural catering, food and beverage, Chinese fashion watches, and beauty and health, etc..

During the Reporting Period, Yuyuan was affected by the resurgence of the COVID pandemic. Yuyuan's revenue fell by more than 18.8% year-on-year in the second quarter, dragging down its interim performance. Yuyuan achieved revenue of RMB22.01 billion in the first half of 2022, of which the sales revenue from the consumption industry increased against the trend, reaching RMB18.62 billion. Since the strategic transformation in 2018, the income structure has been continuously adjusted, and the proportion of consumption industry income has risen to 84.6%.

In June 2022, MSCI announced the 2021 ESG rating results of Yuyuan. By virtue of the substantially improved scores in respect of corporate governance, corporate behavior, green development and other issues, Yuyuan's MSCI ESG rating has been upgraded from BB to BBB, which is MSCI's recognition of its ESG management performance, as well as an affirmation of its long-term investment value.

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During the Reporting Period, Yuyuan's jewelry and fashion business achieved year-on-year growth in operating income and net profit attributable to the shareholders of the parent company. In the first half of 2022, there was a net increase of 290 terminal stores. As at the end of the Reporting Period, the number of chain stores of "Laomiao" (老廟) and "Yayi" (亞一) had reached 4,249; the flagship stores of the lag grown diamond brand LUSANT had been established and the pilot franchised stores of "Guyun" (古韻) series products had been launched. Its jewelry and fashion business is also actively carrying out business model innovation, such as promoting business model innovation and promoting business development + gross profit improvement; supply digitization + flexibility.

At the same time, Yuyuan gave full play to its resource advantages of owning a long-established brand. The chain development strategy of Songhelou Suzhou-style noodle shops was further implemented. In 2018, Yuyuan acquired the time-honored brand "Songhelou" (松鶴樓). In 2019, Yuyuan successfully built a single-store model of Songhelou Suzhou-style noodle shop. In 2020, it piloted chain development of the noodle shop and owned 21 shops in first-tier cities across China. In 2021, 81 Songhelou noodle shops were located in eight cities in China, including Shanghai, Beijing and Shenzhen, etc.. During the Reporting Period, the number of shops under "Songhelou" increased by 12, expanding to new markets such as Tianjin and Wuhan.

Looking forward to the second half of 2022, Yuyuan will take "oriental life aesthetics" concept as its top concept, focusing on consumers, products, and scenarios, collaborate with internal segments, and integrate and coordinate external resources. Under the guidance of the top four committees, Yuyuan will consolidate the building and mechanism guarantee of globalization, ecology, science and technology innovation and FES basic capacity. Focusing on household customers, Yuyuan will focus on increasing consumers. Relying on the advantages of time-honored brand matrix, Yuyuan will accelerate the renewal of time-honored brands, integrate business, travel and culture, and create wider population value, brand value and cultural value.

Jinhui Liquor

Jinhui Liquor is principally engaged in the manufacture and sales of liquor and spirits, and 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", Jinhui Liquor insists on being customer-centric, implementing the two-pronged strategy of "key client operation + deep distribution" with C-end top priority. Jinhui Liquor strives to realize the strategic goal of "shaping a well-known brand that

ranks among the top 10 Chinese brands of liquor and spirits and building a large-scale production base of liquor and spirits in China". 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, the Group through Yuyuan held 38% equity interest in Jinhui Liquor.

During the Reporting Period, Jinhui Liquor recorded revenue of RMB1,225.8 million, representing a year-on-year increase of 26.1%, with net profit attributable to shareholders of the listed company of RMB210 million, representing a year-on-year increase of 13.1%.

During the Reporting Period, as Jinhui Liquor actively participated in pandemic prevention and control and overcame the impact of external uncertainties, its various indicators of production and operation demonstrated steady growth. First, Jinhui Liquor continuously improved its scientific research and innovation mechanism, and strengthened its cooperation with scientific research institutes, universities and expert consultants, in order to improve the quality and output of unprocessed wine through internal and external technology research related to fermentation starter production and brewing. Second, Jinhui Liquor implemented in depth the two-wheel strategy of "key client operation + deep distribution". It carried out themed activities such as "Famous Liquor into Famous Enterprises" and "Spring Sakura Brewing Tour" to upgrade its key client operation. Third, Jinhui Liquor increased its investment in branding, such as creating a three-dimensional advertising matrix that ran through land and air across 30 cities in 6 provinces in the Northwest China and 19 key cities in the 4 top hubs in East China, so as to complete the brand promotion coverage in the two core development areas of Northwest China and East China, which comprehensively enhanced its brand influence. Fourth, Jinhui Liquor optimized its organization management and advanced the strategic and human resources management consulting projects in an orderly manner, which implemented line management and empowerment to form a transparent, concise and efficient online and offline business process and therefore to improve management efficiency.

Shede Spirits

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) ("**Shede Group**"), 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 held Shede Spirits. As at the end of the Reporting Period, Yuyuan held 30.33% equity interest in Shede Spirits through Shede Group.

MANAGEMENT DISCUSSION & ANALYSIS

Since the Group's investment in Shede Spirits, the strategic planning and ecological construction of Shede Spirits have been continuously empowered. Shede Spirits continued to implement the classic liquor strategy, and the quality of classic liquor was further recognized. The number and quality of distributors have improved significantly, and there are more and more loyal consumers. Shede Spirits has continued to expand new channels and the whole channel sales capacity continued to improve. Shede Spirits has continued to strengthen its brand building and brand power continued to be enhanced.

During the Reporting Period, the pandemic posed certain impacts on the end consumption of liquor and spirits products, which were mainly manifested in fewer consumption scenarios in certain regions, restricted product logistics, and difficulty in launching marketing campaigns. Shede Spirits took various measures to overcome such challenges, such as hedging the impacts of the pandemic by expanding sales channels, boosting online sales, accelerating new regional deployment, adding new products and promoting sales for banquets.

During the Reporting Period, Shede Spirits recorded revenue of RMB3,025.2 million, representing a year-on-year increase of 26.5%, and net profit attributable to shareholders of the listed company of RMB835.5 million, representing a year-on-year increase of 13.6%. In particular, the revenue of liquor and spirits reached RMB2,820.7 million, representing a year-on-year increase of 28.6%. In terms of liquor and spirits category, the revenue of the mid-end and high-end products amounted to RMB2,405.9 million, representing a year-on-year increase of 28.2%; while the revenue of the low-end products amounted to RMB414.8 million, representing a year-on-year increase of 31.1%.

During the Reporting Period, by virtue of the effective measures adopted such as strong sales promotion and destocking, the terminal retail prices of Shede series wines effectively increased, and the sales volume of Tuopai strategic single products achieved rapid growth.

In addition, while putting its own pandemic prevention and control measures in place, Shede Spirits also actively undertook social responsibilities by donating money and supplies to the regions affected by the pandemic in China. Meanwhile, Shede Spirits gradually established its ESG governance system to further improve its management capability on environmental, social, corporate governance and other aspects to promote high-quality and sustainable development.

Looking forward to the second half of 2022, adhering to the "one core and four dimensions" strategy for classic liquor, Shede Spirits will continue to strengthen brand construction, optimize the organization management system, focus on strategic products and key cities, vigorously develop high-quality distributors, strengthen market infrastructure, and become top brand in the category of classic liquor. It will also adhere to implement the intelligent upgrading of production system, continue to improve the ecological industry chain, actively construct projects to expand production capacity, strengthen the reserve and enhance the quality of classic liquor, promote the further implementation of the strategy for classic liquor; and rapidly promote internationalization and C-end top priority, in order to win strategic battles and strive to achieve high-speed growth.

FTG

As at the end of the Reporting Period, the Group held approximately 80.38% 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 and hotels, including Club Med, Club Med Joyview, Casa Cook and Cook's Club Lifestyle Hotel Collection, etc.; (ii) tourism destinations, including Atlantis Sanya, Taicang FOLIDAY Town, Lijiang 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 RMB6,416.5 million, representing a year-on-year increase of 130.7%, and loss attributable to equity holders of FTG amounted to RMB196.6 million, while loss attributable to equity holders of FTG was RMB2,004.8 million for the same period of 2021. FTG maintains a healthy and sound financial position. In the first half of 2022, FTG's net cash flows generated from operating activities achieved a net inflow of RMB1.32 billion, representing growth of 14% compared to the same period in 2021. As of 30 June 2022, the cash and bank balances were approximately RMB3.4 billion.

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 had sales and marketing operations in more than 40 countries and regions across six continents, and operated 66 resorts.

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In the first half of 2022, the business volume of Club Med amounted to RMB5,743.1 million, representing an increase of 336.0% compared with the same period of 2021, recovering to 90.2% of the same period of 2019; the capacity of Club Med increased by 122.3% compared with the same period in 2021, returning to 87.4% of the same period of 2019; the global average Occupancy Rate by Bed of Club Med reached about 59.1%, an increase by 16.5 percentage points from the same period in 2021, and showed a gap of 6.0 percentage points compared to the same period in 2019; the Average Daily Bed Rate was about RMB1,517.4, at constant rate, an increase of about 40.2% from the same period in 2021, representing an increase of about 19.3% from the same period of 2019. In July 2022, Club Med operated 53 resorts worldwide.

While responding to the rebound in business, FTG also re-adjusted its investments to secure key projects including the future opening, and the maintenance and renovation of its existing resorts. From the beginning of 2022 to the end of 2024, FTG have signed contracts and planned to open 17 new Club Med resorts, of which seven resorts are located in China. Meanwhile, in the first half of 2022, FTG opened Changbaishan resort, Marbella resort and Thousand Islands Lake resort.

Atlantis Sanya, located on the Haitang Bay National Coast of Sanya in Hainan Province, China, officially opened in April 2018. During the Reporting Period, the number of visitors to Atlantis Sanya amounted to approximately 1.5 million; the business volume of Atlantis Sanya amounted to RMB486.9 million, decreased by 41.7% as compared with that of the first half of 2021. In particular, room revenue decreased by 42.4% year-on-year and other operating income decreased by 40.8% year-on-year. The average daily rate by room remained about the same compared with the same period in 2021, and the average occupancy rate decreased by 33.9 percentage points to 46.0%.

In the first half of 2022, with the end of February as the dividing line, Atlantis Sanya showed a divergence in business performance due to the impact of domestic pandemic. During the two months ended 28 February 2022, the pandemic in Chinese Mainland was basically under control. The operation of Atlantis Sanya maintained a dynamic growth momentum thanks to its excellent product competitiveness and the unleashing demand for leisure and vacation. Atlantis Sanya recorded a business volume of RMB362.1 million, a year-on-year increase of approximately 44.3%. During the four months ended 30 June 2022, due to the resurgence of the pandemic in various cities which are the sources of tourists, it recorded a business volume of RMB124.8 million, a year-on-year decrease of approximately 78.6%.

FTG also develops and operates tourism destinations in Lijiang, Yunnan and Taicang, Jiangsu under its own brand "FOLIDAY Town" (復遊城). Lijiang FOLIDAY Town covers land parcels of approximately 695,000 square meters in Baisha town in Lijiang city, Yunnan Province in Southwestern China. In the second half of 2021, Club Med Lijiang resort, Albion Residence FOLIDAY Town Lijiang, and lake camp were put into operation. In the first half of 2022, the business volume of the operating business of Lijiang FOLIDAY Town reached RMB17.8 million.

Taicang FOLIDAY Town covers land parcels of approximately 483,000 square meters in Taicang city, Jiangsu Province in East China. In particular, the capping of the main structure of the indoor ski domain of "Alps Snow World" (阿爾卑斯雪世界) completed in January 2022, and the installation of snow-making and snowfall equipment has been finished in June 2022. The themed commercial street and Club Med Joyview Taicang resort entered the full construction phase in June 2021. The indoor ski domain, Club Med Joyview Taicang resort and the themed commercial street planned to commence their business in the second half of 2023.

In November 2019, upon the liquidation of Thomas Cook, FTG acquired the centennial travel brand Thomas Cook, and its licensed right, title and interest across most international markets. In July 2020, FTG released its APP in China, the Thomas Cook Lifestyle Platform ("TC China"), which is a FTG one-stop scenario-based platform focusing on quality vacation and leisure. In the first half of 2022, the platform had 774,000 monthly active users in average and 49,000 paying users. In the first half of 2022, the business volume of TC China was approximately RMB159.2 million, representing a decrease of 1.4% compared with the same period of 2021. In addition, Thomas Cook online travel agent ("TC UK") was launched in UK in September 2020. Since in the first half of 2022, UK travel restrictions began to lift and holiday travel has been gradually available to more places across Europe, TC UK has seen significant growth with its business volume rising by 570.3% to RMB712.0 million.



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 2022	For the six months ended 30 June 2021	Change over the same period of last year
Revenue	15,889.0	15,475.3	2.7%
(Loss)/Profit attributable to owners of the parent	(541.8)	1,415.3	(138.3%)

During the Reporting Period, the revenue of the Insurance sector increased by 2.7% compared to the same period of last year, mainly because of the business growth of Fosun Insurance Portugal. The loss attributable to owners of the parent was RMB541.8 million during the Reporting Period, representing a decrease of 138.3% as compared with the same period of 2021, mainly attributable to the price decrease of financial assets as compared with the end of the same period of 2021.

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.

Fosun Insurance Portugal

In 2014, the Group established subsidiaries to acquire controlling stakes in Fidelidade, Multicare and Fidelidade Assistência. As at the end of the Reporting Period, the Group owns 84.9892% equity interests in Fidelidade. As a leading participant in the Portuguese insurance market, the platform facilitates business development of the Group in European, African, and Latin American countries.

Fosun Insurance Portugal's positive momentum on the commercial side continued during the first half of 2022, with total premium income amounting to EUR2,630 million, representing growth of 12.8% compared to the same period in 2021. Its total non-life premium (domestic and overseas) benefited from a solid non-life insurance performance in the first half of 2022, which resulted in a 15.8% increase. This increase reflects the strategy outcome to continuously foster a client-focused culture as a key driver of the commercial effort. The Life business grew up by 10.0% during the first half of 2022, compared with the same period in 2021. Its main driver was its on-going repositioning towards non-guaranteed products. As a result, total share in the Portugal local market reached 30.8% in the first half of 2022, a 1.4 percentage point increase compared to the first half of 2021. On the international business, total premium income grew up by 52.6% to EUR697.4 million, on the back of a combination of solid organic growth from all international units, as well as the consolidation of the recently acquired units in Mozambique and Liechtenstein.

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During the Reporting Period, Fosun Insurance Portugal's net profit attributable to owners of the parent was EUR100 million. The annualized investment yield was 2.4%. In addition, in the first half of 2022, non-Life insurance combined ratio was 95.8%.

The inaugural issuance of EUR500 million subordinated debt in June 2021 and management's commitment to keep the Solvency II ratio comfortably within the 150%-180% range are part of Fosun Insurance Portugal's balance sheet optimization. The strength of the financial profile was further confirmed by Fitch in December 2021, with investment grade ratings of A (Insurer Financial Strength) and A- (Long-Term Issuer Default Rating).

Besides the current international footprint, Fosun Insurance Portugal took three additional important steps towards the development of its international strategy during the Reporting Period. In December 2021, it acquired 70% of Seguradora Internacional de Moçambique ("**SIM**") and the integration of SIM was completed in the first half of 2022. This transaction consolidates Fosun Insurance Portugal's market position in Mozambique, where it operates since 2014. In February 2022, Fosun Insurance Portugal acquired 70% equity interest in The Prosperity Company, which is a digitally-driven insurance company based on a pension wealth management platform with operations in Europe. In June 2022, Fosun Insurance Portugal reached an agreement to acquire remaining at least 40.5% of La Positiva, the third largest Peruvian insurer of which Fosun Insurance Portugal already owns 51%.

Fosun Insurance Portugal received several awards which reinforce its significant brand strength. They include "Escolha do Consumidor 2022" (Highest satisfaction and reputable insurer), "Market Reputation Index 2021" (Most reputable insurance brand), "Superbrands 2021" (Top-of-mind insurance brands in Portugal) and "Reader's Digest Trusted Brands 2021" (Most reputable insurer for the 16th consecutive time).

Fosun Insurance Portugal's sustainability strategy integrates its ESG priorities into material aspects of its activities. Fosun Insurance Portugal has established four principles to guide its ESG effort:

1. Combine economic prosperity with conscious and sustainable business practices;
2. Adapt the product offer to address societal challenges;
3. Promote the transition into an inclusive and ecological society; and
4. Foster a corporate governance structure that enables long-term environmental and social benefits.

Fosun Insurance Portugal social responsibility footprint is driven by impactful initiatives such as Fidelidade Comunidade, promoting sustainability for its employee and for society as a whole; and WeCare, providing further support and care for people throughout their lives. In addition, Fosun Insurance Portugal actively promotes social responsibility with its products and programs. For example, Fosun Insurance Portugal developed the retirement product of PPR 40+ ESG, which combined savings with the improvement of environment and the Vitality Programme, which aims at the promotion of healthy lifestyle.

Fosun Insurance Portugal has developed specific multi-year ESG commitments. For example, Fosun Insurance Portugal will redefine its investment policy based on ESG criteria by the end of 2023 and reassess 100% of the investment portfolio based on ESG criteria by 2025. Regarding product offering, Fosun Insurance Portugal will release 5 to 10 sustainable life and non-life products in the next year and a half and develop ESG solutions in 30% to 50% of the total product offer (or annual premiums) by 2025.

Going forward, Fosun Insurance Portugal will keep focusing on consolidating its position as a key retirement and savings market player with a value proposition that combines strong product line-up and client-friendly distribution channels. In addition, Fosun Insurance Portugal will continue to seek opportunities on international markets to lever existing operations and share best practices across geographies. Finally, its commercial innovation efforts will remain centered in its clients' needs and the use of technology and automation.

Peak Reinsurance

Peak Reinsurance Company Limited ("**Peak Reinsurance**"), a Hong Kong-based global reinsurance company founded in 2012, was jointly established by the Group and International Finance Corporation. 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.

MANAGEMENT DISCUSSION & ANALYSIS

As at the end of the Reporting Period, Peak Reinsurance reported gross written premiums of USD1,224 million (first half of 2021: USD773.7 million) and net earned premium income of USD774.3 million (first half of 2021: USD778.2 million)¹¹. Additionally, efforts to rebalance the portfolio towards non-proportional business have helped ensure price stability alongside further business development. Since its establishment, Peak Reinsurance has maintained nine consecutive years of growth in premium income.

As at the end of the Reporting Period, Peak Reinsurance maintained a seven-year track record of over 90% of claims settled within five business days. Efficient claims settlement and a client-centric business approach both played a pivotal role in its success.

Supported by improving macro-economic fundamentals, as at the end of the Reporting Period, Peak Reinsurance achieved annualized investment return of 1.6% with investable assets and net assets at USD2.8 billion and USD1.3 billion, respectively. Peak Reinsurance remains very well capitalized with good solvency, as reflected in its credit ratings as at the end of the Reporting Period.

In June 2022, Peak Reinsurance announced the closing of the issuance of a USD150 million 144A catastrophe bond via Black Kite Re Limited, a newly established special purpose insurer in Hong Kong ("**Black Kite Re**"). As part of the transaction, Peak Reinsurance has entered into a retrocession arrangement with Black Kite Re, providing Peak Reinsurance with multi-year risk protection against typhoon risk in Japan. The transaction attracted significant investor interest, allowing for a 100% upsize from the initially-announced transaction size. In addition to being the largest and the first 144A catastrophe bond issued from Hong Kong, the transaction is also expected to be the first to utilize the Pilot Insurance-linked Securities Grant Scheme introduced by the Hong Kong insurance authority last year.

Peak Reinsurance's outstanding achievement has been widely recognized in the industry with strong credit ratings from Moody's Investor Service (IFSR A3) and AM Best (A-), reflecting Peak Reinsurance's good brand recognition in the insurance industry, increasingly diversified product portfolio and geographic mix, and solid capitalization relative to risk underwritten. Peak Reinsurance ranked the 27th 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 which is unique. Peak Reinsurance's focus on resilience and agility ensure 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 have been proved to be the key to the successful response to the onset and on-going impacts of the global pandemic.

* Source: S&P Global Ratings' Top 40 Global Reinsurance Groups 2021 by net reinsurance premiums written

Pramerica Fosun Life Insurance

The establishment of Pramerica Fosun Life Insurance marked the Group's debut into the domestic life insurance market. As at the end of the Reporting Period, the Group held a 50% equity interest in Pramerica Fosun Life Insurance.

During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB1,137.9 million, representing a year-on-year decrease of 27.78%, mainly due to the fact that it 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. Net loss amounted to RMB114.1 million. The annualized total investment yield was 4.41%, and the annualized comprehensive investment yield was 4.13%.

Facing to the unexpected lock-down and pandemic control measures in Shanghai, Beijing and other cities, Pramerica Fosun Life Insurance sticks to its own strategies. It insists on building a team of professional life insurance agents, vigorously invests in ecosystem and technological construction to empower the team to acquire customers and operate and build a comparative advantage. In terms of agent channel construction, Pramerica Fosun Life Insurance actively developed potential high quality customers, facilitating the building of an elite agent team with high income, high productivity and high retention. The average monthly active manpower and the team's productivity indicators were in the forefront of the industry. In terms of technology construction, Pramerica Fosun Life Insurance introduced online policy custody service and referral function. Its online activities continued to boost private sector, creating the second growth curve for online operation. In terms of ecosystem empowerment, Pramerica Fosun Life Insurance deepened its strategic cooperation with Fosun's health care sector,

MANAGEMENT DISCUSSION & ANALYSIS

and expanded the reachable customer range by boosting VR Yunyouxingbao (雲遊星堡) and other online activities within the ecosystem, using technological tools. During the Reporting Period, Pramerica Fosun Life Insurance accumulated 938 orders for senior community, and received total initial regular-premium of RMB273.18 million.

In the second half of the year, Pramerica Fosun Life Insurance will continue to adhere to the business philosophy of “Long-term Value Increase” with “Guardian of your uniquely defined future” as its mission and thoroughly implement the strategic path of “Focusing on the Agent Team Building, Focusing on Regular-premium Business, Focusing on the Technology, and Focusing on Ecosystem”. It will unswervingly strengthen outstanding teams by the triple measures of “Product Matrix + Health Care Ecosystem + Technology Empowerment”. In terms of product system, centering on customer demands, Pramerica Fosun Life Insurance will create a brand image of “Understand your need, Make for your need”. In terms of technological operation, Pramerica Fosun Life Insurance will optimize online experience of the whole policy cycle with the use of big data, thereby realizing whole-process digital management. In terms of institutional development, Pramerica Fosun Life Insurance will strengthen its review on the operations of institutions at different levels, and promote high quality development under the guidance of quality and efficiency enhancement.

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 2022	For the six months ended 30 June 2021	Change over the same period of last year
Revenue	7,082.5	4,174.6	69.7%
Profit attributable to owners of the parent	2,001.4	995.2	101.1%

During the Reporting Period, the revenue of the Asset Management segment increased by 69.7% year-on-year, which was mainly due to the revenue increase of Asset Management (Property) business. The 101.1% increase in profit attributable to owners of the parent compared to the same period of last year was mainly attributable to the increase in asset value of the Asset Management sector during the Reporting Period.

Fosun Capital

Fosun Capital provides high-quality equity investment and management services to investors such as well-known family funds, pensions, insurance companies, listed companies, large investment institutions and high net wealth individuals domestically and internationally. As at the end of the Reporting Period, the Group held 100% equity interest in Fosun Capital.

As at the end of the Reporting Period, Fosun Capital had invested in over 100 companies, and successfully exited from investments in nearly 50 companies through domestic or overseas listings, equity transfer and other ways. Fosun Capital had accumulated the total of 16 funds under management, with an asset size under management of nearly RMB20 billion.

As at the date of disclosure in this report, nine of Fosun Capital's investment companies submitted application for IPO, one of which was successfully listed on the Hong Kong Stock Exchange. Fosun Capital was awarded 11th among the “Top 100 Best Chinese Private Equity Investment Institutions in China of 2021” and 6th among the “Top 50 Best Chinese Private Equity Investment Institutions in China of 2021” by Touzhong.com. In the future, relying on its excellent investment capabilities, high-quality post-investment services and the Group's strong global industry integration capabilities, Fosun Capital will be able to empower its portfolio companies in terms of business resources and industrial depth and help the companies realize long-term value creation and sustainable development.

Fosun RZ Capital

The vision of Fosun RZ Capital is to become a globally leading industry investment institution, with the aim of generating excellent investment returns and long-term strategic value for the Group. As at the end of the Reporting Period, the Group held 100% equity interest in Fosun RZ Capital.

Fosun RZ Capital 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 50 employees in 7 offices around the world. Fosun RZ Capital's global core team has an average of more than 10 years' investment experience.

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During the Reporting Period, Fosun RZ Capital completed the filing of the third phase of the RMB fund for science and technology innovation and began its investment. The size of the fund was RMB2 billion, and the total management size of Fosun RZ Capital was nearly RMB10 billion. Fosun RZ Capital was awarded “Top 100 China 2021 Best Venture Capital Institutions” by Touzhong.com, and “Top 100 Chinese Venture Capital Institutions in 2021” 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 investment 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 Lampe Privatbank AG (HAL)

Founded in 1796, HAL is headquartered in Frankfurt with offices in several key German cities such as Munich, Düsseldorf, Hamburg, Berlin and Stuttgart. HAL also has branches in Luxembourg, Dublin and London, a subsidiary in Vienna and a representative office in Paris. As at the end of the Reporting Period, the Group held 99.94% equity interest in HAL. HAL intends to internationalize its product series, and secure new customer groups and thus further strengthen its own market position. An essential element of the bank’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 developing Chinese market which is part of the surging Asian market. In the past few years, HAL has established subsidiaries in Shanghai and Nanjing respectively, focusing on the asset management and cross-border investment bank mergers and acquisitions (“M&A”) business.

Despite the headwinds from the global economy and geopolitics, HAL still managed to maintain significant growth in performance in 2022. As of 30 June 2022, HAL’s services and assets under management reached EUR239 billion, an increase of 23% compared to as at 30 June 2021; HAL’s total assets grew to EUR13.8 billion. Meanwhile, compared to the first half of 2021, HAL’s gross revenue increased by 41% to EUR192 million. HAL’s profit before tax fell from EUR30 million in the first half of 2021 to EUR23.7 million in the first half of 2022, mainly due to higher administrative expenses related to the Bankhaus Lampe KG before its consolidation.

Following the completion of the acquisition of Bankhaus Lampe KG in September 2021, upon regulatory approval, the bank merged with Hauck Aufhäuser Lampe Privatbank AG with effect from 1 January 2022. The acquisition included the purchase of all equity interest in such company and also involved a

full takeover and integration of all employees, subsidiaries, customers and locations. After the acquisition, HAL’s business unit and regional service capabilities have been expanded, particularly in the private banking and asset management sectors.

In addition, HAL has made significant achievements in the one-stop service of digital assets, from its own crypto capital management company to its custodian function. Starting in February 2022, HAL’s subsidiary Hauck Aufhäuser Innovative Capital, as a capital management company for digital assets, is licensed by the Deutsche Bundesbank. Following the completion of the acquisition of a digital asset custody firm, Kapilendo Custodian AG at the end of March, HAL started to provide professional and semi-professional investors with long-term investment opportunities in leading crypto assets by launching the “HAIC Crypto Native – Advanced Select” fund in June 2022, expanding its product offerings.

HAL’s growth story also gained recognition from the public, and received several awards including “Best Private Bank in Germany 2022”, “Germany’s Most Popular Bank” and “Leading Employers in Germany 2022”.

At the same time, HAL has been proactively promoting to ESG developments and continuously optimizing its corporate governance to fully meet regulatory requirements. It newly established a specialized group ESG department and ESG Committee to ensure consistency with the ESG strategy across all business lines, focusing on current market developments, regulatory requirements and organizational structure. HAL’s extensive activities to put the ESG strategy into practice have also received external attention and an award for “Outstanding Sustainable Engagement”.

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 in emerging markets in Europe and Africa, especially Poland, Mozambique and Angola, which have a close economic connection to Portugal. Since 2010, BCP has entered the Chinese Mainland market through its Guangzhou representative office and launched 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 29.95% equity interest in BCP.

MANAGEMENT DISCUSSION & ANALYSIS

During the Reporting Period, excluding specific items¹², the consolidated core operating profit (net interest income plus net fees and commissions income deducted from operating costs) of BCP amounted to EUR862.2 million, 40.0% higher than EUR615.8 million of the same period of last year. In particular, the core operating profit in Portugal reached EUR419.6 million, which increased by 18.4% as compared to EUR354.4 million of the same period of last year, mainly attributable to its stable income performance and consistent cost control. The core operating profit from business in Poland reached EUR383.1 million, an increase of 76.8% as compared to EUR216.7 million of the same period of last year, mainly due to the increase in net interest income brought by the increase in interest rates in the Polish market. By virtue of the good performance of such core operating profit, although the management of BCP has taken into account the significant uncertainty brought about by the new legislation in Poland, and provided a goodwill impairment of EUR102.3 million for the Polish subsidiary at the consolidated level, net profit attributable to shareholders of BCP still increased by 507.4% to EUR74.5 million as compared with the same period of last year.

As at the end of the Reporting Period, the consolidated total assets of BCP amounted to EUR96,074 million, representing an increase of 5.2% year-on-year. BCP's consolidated loans to customers (gross) amounted to EUR58,653 million, representing an increase of 2.0% year-on-year, mainly due to the growth of the Portugal market. Mortgage and personal loans in Portugal performed well, driving an increase of local customer loans (gross) by 2.7% year-on-year to EUR40,577 million. Under the COVID-19 pandemic, loans under specific credit policies have been gradually reduced. As at the end of the Reporting Period, the total amount of state-guaranteed loans against the COVID-19 pandemic dropped to EUR2,383 million, accounting for only 5.9% of the total local loans.

As a result of continuous monitoring on credit risk and the measures taken to recover non-performing loans in recent years, it should also be noted that the non-performing exposure (NPE) reduced by EUR501 million at BCP's group level, leading to a decrease of the NPE ratio as a percentage of the total loan portfolio from 5.2% as at the end of June 2021 to 4.3% as at the end of the Reporting Period. At the same time, the NPE provision coverage ratio at BCP's group level decreased by 2.1 percentage points year-on-year to 64.5% as at the end of the Reporting Period.

At the same time, BCP's customer growth was outstanding during the Reporting Period. The number of active customers at BCP's group level increased to 6.33 million from 5.99 million at the end of June 2021, of which the number of digital customers increased from 4.04 million at the end of June 2021 to 4.56 million, among which the number of newly acquired customers through mobile terminal was 0.63 million. During the Reporting Period, BCP was awarded "Best Investment Bank 2021 in Portugal" by Global Finance, as well as "Best Consumption Digital Bank 2021" in Portugal, "Consumer Choice in Portugal 2021 and 2022" in the "Large Banks" category. ActivoBank was awarded "Customer Choice in Portugal 2022" under the "Digital Banks" category.

Looking forward, the strategic plan of BCP aims to improve the environmental adaptability and risk response capabilities of the bank after the pandemic, continue to promote the five overarching strategic priorities defined for the future, namely talent enhancement, mobile-centric digitization, maintaining growth and solidifying leadership in Portugal, growth in international footprint, and business model sustainability, to enable BCP to recover quickly to accomplish the strategic objectives after the pandemic. BCP presented a new strategic plan accordingly to the market designated "Excelling 2024", setting the priorities and objectives for the new strategic cycle for 2021-2024. The design of the "Excelling 2024" plan was based on BCP's aspiration for the future cycle: to successfully overcome the impact of the pandemic and achieve robust levels of profitability and balance sheet improvement based on superior personalized services and new mobile/digital solutions, accelerating the bank's competitive differentiation in terms of efficiency and customer engagement, and at the same time to respond to the challenges in sustainable development, especially the risks and opportunities posed by climate change, social impacts, and good social governance.

The Bund Finance Center ("BFC")

Located at 600 Zhongshan No. 2 Road (E), Shanghai, China, BFC is a benchmark project of the Group's "Hive City", and also a landmark of a large-scale all-in-one ecosystem commercial complex in the core area of the Bund in Shanghai. The project embraced its opening on 12 December 2019. The gross floor area ("GFA") of BFC is over 420,000 square meters. BFC's principal businesses include (i) office rental business which offers a super-grade-A office building with an occupancy rate of over 98% as at the end of the Reporting Period; (ii) retail

¹² Specific items referred to negative impact of EUR6 million in the first half of 2022 and EUR87 million in the first half of 2021, which were fully recognized as staff costs in the activity in Portugal, in both periods. In the first half of 2022, specific items mainly include the distribution of BCP's 2021 results by the employees of BCP, as compensation for the temporary reduction of remuneration, in the amount of EUR6 million. In the first half of 2021, specific items are mainly related with a provision booked to cover the costs related to the current adjustment of headcount carried out by BCP that year, in the amount of EUR81 million.

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business that houses over 200 stores and brands, of which approximately 30 stores are the first of its kind; (iii) catering business that offers an array of high-quality international restaurants, including the legendary Italian restaurant "DA VITTORIO SHANGHAI", which has won two Michelin stars consecutively; (iv) health business with a fitness club, BFC FITNESS, and high-end medical clinic Zallhui (卓爾薈); (v) art business conducted through Fosun Foundation Art Center (Shanghai). In March 2022, the Group acquired 50% equity interest in Shanghai Fosun Bund Real Estate Company Limited* (上海復星外灘置業有限公司), the project company of BFC. As at the end of the Reporting Period, the transaction was completed and the Group held 100% equity interest in BFC property.

During the Reporting Period, due to the steady performance of office buildings and commercial buildings in terms of occupancy rate and unit price, BFC recorded total operating revenue of RMB406.22 million, representing an increase of 9.3% from the same period of 2021; operating EBITDA was RMB267.30 million, representing an increase of 16.5% from the same period of 2021. In the first half of 2022, affected by the pandemic, BFC heightened its efforts both online and offline which added about 90,000 members, and the total number of members exceeded 660,000 as at the end of the Reporting Period. For online operation, during the period under closed-loop management due to the pandemic, BFC launched a warm-hearted group-buy campaign, which mobilized nearly 5,000 campaign leaders and empowered over 40 brands. At the same time, the online shopping platform "iShopping" continued its contribution, and held non-stop live streamings during

the lockdown period to provide services to its customers. In respect of offline operation, BFC launched the New Spring Festival (新春季) and Fashion Festival (潮流時尚季) and other highlighted activities in succession. By creating its own IP festivals, BFC more accurately reached the trendy young population. In particular, since its launch in June 2020 up to the end of the Reporting Period, BFC's popular IP "BFC Fengjing" had attracted more than 14 million visitors. Partnered with more than 675 brands, it had brought together seven highlights comprising street culture, pet communities, art and culture, organic flowers, fashion bars, performing arts activities, and aerial terrace party.

Looking forward, BFC will deepen its implementation of FC2M strategy and introduce Fosun's excellent industry resources 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. Meanwhile, leveraging its close proximity to Yuyuan Tourist Mart, BFC will strive to achieve two-way empowerment with Yuyuan Tourist Mart in the future, aiming to become a "Broad 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 2022	For the six months ended 30 June 2021	Change over the same period of last year
Revenue	5,127.0	3,569.7	43.6%
Profit attributable to owners of the parent	1,041.0	1,629.1	(36.1%)

During the Reporting Period, the revenue of the Intelligent Manufacturing segment amounted to RMB5,127.0 million, representing a year-on-year increase of 43.6%, and profit attributable to owners of the parent amounted to RMB1,041.0 million, representing a year-on-year decrease of 36.1%. The main reason for the increase in revenue was due to business growth of Hainan Mining and Easun Technology. The main reason for the decrease in profit was due to the year-on-year decrease of profit of companies such as Nanjing Iron & Steel due to an upward raw material price environment.

Nanjing Iron & Steel

Nanjing Iron & Steel, a leading whole-process steel conglomerate with high efficiency, was listed on the SSE in 2000. Nanjing Iron & Steel is equipped with an integrated 10-million-tonne-level production capability of steel. As at the end of the Reporting Period, the Group held 59.12% equity interest in Nanjing Iron & Steel through Nanjing Nangang.

Aiming at the opportunities arising from China's manufacturing upgrade and import substitution, Nanjing Iron & Steel provides solutions for national key projects and high-end manufacturing industry upgrading, and undertook 14 national-level projects. Its 9% Ni steel for ultra-low temperature was awarded as a national manufacturing individual champion product. The sales price and sales volume of Nanjing Iron & Steel's advanced iron and steel materials rose together, achieving a sales volume of 887,500 tonnes, a year-on-year increase of 2.27%; accounting for 18.63% of the total sales volume of steel products, an increase of 2.19 percentage points; the composite average selling price was RMB6,234.94 per tonne (tax exclusive), a year-on-year increase of 9.04%; gross profit margin was 16.80%, a year-on-year increase of 0.60 percentage point; gross profit totalled RMB930 million, a year-on-year increase of 15.68%.

During the Reporting Period, overcoming the impact as a result of the sluggish industrial and supply chains caused by the recurrent pandemic, as well as the high and fluctuating prices of raw materials and fuels, Nanjing Iron & Steel performed well on pandemic prevention and control in an attentive and practical manner, and maintained stable operation. Nanjing Iron & Steel recorded revenue of RMB34,887.18 million, a year-on-

MANAGEMENT DISCUSSION & ANALYSIS

year decrease of 9.59%; net profit attributable to shareholders of the listed company was RMB1,491.94 million, a year-on-year decrease of 34.01%. In the second quarter of 2022, Nanjing Iron & Steel achieved a net profit attributable to shareholders of the listed company of RMB776 million, an increase of 8.31% from the previous quarter.

Nanjing Iron & Steel has built an overseas coke production base in PT Indonesia Morowali Industrial Park, Indonesia, and set up joint ventures for a coke project with an annual output of 6.5 million tonnes. During the Reporting Period, for the PT. KinRui New Energy project with an annual output of 2.6 million tonnes, the 2# coke oven achieved coke discharging. In July 2022, the 1# coke oven achieved ignition and heating-up. In the second quarter of 2022, PT. KinRui New Energy sold more than 40,000 tonnes of coke, achieving a revenue of RMB164.3131 million and a net profit of RMB12.0133 million. PT. KinXiang New Energy completed 2# coke oven building.

In May 2022, Nanjing Iron & Steel obtained the first SA8000 social accountability management system certificate in the domestic steel industry. Nanjing Iron & Steel continues to invest in environmental protection, emission reduction and energy conservation to upgrade the technology, striving to maintain its position as the industry forerunner in the context of "peaking carbon dioxide emissions" and "carbon neutrality". It completed the renovation for the organized part of ultra-low emission and the clean transportation part of ultra-low emission, which were announced on the website of China Iron and Steel Association. At the same time, it accelerated the implementation of key projects related to fugitive emissions.

Hainan Mining

Regarding the resource industry as its core of development, and leveraging the development opportunities in Hainan, Hainan Mining is committed to becoming an "industrial investment and development group based on strategic resources with international presence" through the twin-driver strategy of industry operations and industrial investment. It was established in August 2007, and was listed on the SSE in December 2014. As at the end of the Reporting Period, the Group held 48.55% equity interest in Hainan Mining.

Hainan Mining focuses on the operation of two types of resources of industry of iron ore and oil and gas, mainly including (i) iron ore mining, processing and sales business; (ii) oil and gas exploring, developing and sales business; (iii) commodity trade and processing business; and (iv) production and sales of sand and gravel materials. During the Reporting Period, Hainan Mining recorded revenue of RMB2,747.55 million, representing an increase of 34.35% year-on-year; net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses of RMB415.87

million, representing an increase of 1.68% year-on-year; net cash flows from operating activities of RMB765.90 million, representing an increase of 180.59% year-on-year.

During the Reporting Period, Hainan Mining maintained stable production of its iron ore mining and processing business at a relatively high level, and continued to reduce costs and enhance efficiency by means such as lean management, improving iron powder yield and optimizing pricing mechanism. In the first half of 2022, raw ore production reached 3.2605 million tonnes, representing an increase of 1.80% year-on-year; finished ore production reached 1.6108 million tonnes, which was basically the same as the same period of last year. Hainan Mining significantly expanded the scale of its oil and gas business along with the consolidation of the Bajiaochang gas field into ROC and the implementation of production and efficiency enhancement measures. Weizhou 12-8E oilfield project in Beibu Gulf of China officially commenced oil production in April 2022, and the construction of the dealkylation treatment plant and compression station in the Bajiaochang gas field has completed the tendering and review processes. In the first half of 2022, Hainan Mining produced 2.8804 million barrels of oil and gas equivalent, representing an increase of 58.21% year-on-year. Meanwhile, the steady improvement of oil and gas business benefited from the average Brent crude oil price increase of more than 60% compared with the same period of last year.

During the Reporting Period, Hainan Mining actively proceeded with the implementation of the "14th Five-Year" strategic plan, and accelerated the deployment of new energy upstream industries. Hainan Xingzhihai New Materials Co., Ltd.* (海南星之海新材料有限公司), its wholly-owned subsidiary, entered into an investment agreement with the management committee of Yangpu Economic Development Zone, Danzhou City, Hainan Province, to implement the 20,000-tonne lithium hydroxide project (Phase I) which will be located in Yangpu Economic Development Zone. It is expected that the project site will be approved quickly, and the project will fully enjoy the superior geographical location, port conditions and preferential policies of Yangpu.

In terms of organization construction, Hainan Mining launched its first share incentive scheme in March 2022. Its first grant awarded 137 grantees including its directors, senior executives and core management. In addition, Hainan Mining continued to strengthen the construction of a skilled talent pipeline, and received approvals for various Hainan-Province level vocational skills certification in June 2022. Hainan Mining achieved more results in terms of technological innovation. During the Reporting Period, Hainan Mining received approvals for three utility models, and completed eight scientific research projects involving increase of ore recovery rate, improvement of mining grade rate and other areas.

MANAGEMENT DISCUSSION & ANALYSIS

In the second half of 2022, Hainan Mining will stay focused on the twin-driver strategy of “profound industry operations + industrial investment”. On one hand, it will continue to strengthen its existing business, endeavor to finish iron ore production reaching 3 million tonnes and oil-gas valent weight reaching 5.42 million for the year, and push forward key construction projects such as magnetization roasting and lithium hydroxide. On the other hand, it will continue to pay attention to the investment and acquisition opportunities of new energy upstream resources and natural gas and other clean energy projects that can achieve long-term growth, and strive to achieve their implementation. At the same time, Hainan Mining will conduct in-depth studies on the new policies for Hainan Free Trade Port, focus on the future customs closure operation mechanism of Hainan, and plan development projects in advance.

JEVE

Established in 2009, JEVE is one of the earliest domestic enterprises to enter into the new energy passenger vehicle power lithium battery industry, with products covering NCM lithium and lithium iron phosphate systems which serve to meet demands in pure electric vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles and energy storage fields. During the Reporting Period, JEVE maintained a relatively high growth rate relying on technological innovation as well as lean management and operation, and ushered in the boom of production and sales. Its revenue increased by 135.99% year-on-year to RMB883.36 million, and its installed capacity increased by 72% year-on-year to 0.9GWh. As at the end of the Reporting Period, the Group and the non-consolidated entities in which the Group participated in the investment jointly held 49.95% equity interest in JEVE.

In terms of R&D, JEVE further strengthened cooperation with renowned scientific research institutes, actively deployed cutting-edge technologies, and increased investment in R&D. As at the end of the Reporting Period, JEVE had applied for 1,025 patents, among which 412 were invention patents, and undertook 15 national projects and 11 local projects. Based on the soft pack cell with an energy density of approximately 320Wh/kg developed by itself, JEVE continued to develop a product system with an energy density of 350Wh/kg. In terms of core products, on the basis of consolidating the four product matrix comprising 355 cells and modules, 590 cells and modules, high power HEV products, and LCM cells and modules, JEVE has also simultaneously completed the development of square aluminum shell products, and has accelerated the construction of the square aluminum shell production line.

In terms of production capacity construction, on the basis of the four existing production bases in Tianjin, Yancheng, Jiaxing and Changxing, JEVE has been actively planning to acquire additional production capacity. In early 2022, JEVE and Chuzhou Tianchang Municipal Government entered into a strategic cooperation agreement to reach cooperation regarding the launch of JEVE's power lithium battery production base project in Chuzhou and developed the Chuzhou production base. The Chuzhou production base has a planned capacity of 20GWh, with product types covering lithium iron phosphate and NCM materials system, and is scheduled to be put into operation by the end of 2023. The construction of the Chuzhou base will lay a foundation for JEVE's future business development and market expansion, and further enhance the market competitiveness of JEVE.

In terms of customer development, on the basis of maintaining the profound cooperation with existing customers such as Great Wall (長城), Chery (奇瑞), Hozon (合眾), SAIC (上汽), and Dongfeng (東風), JEVE has further obtained official nomination notification from JMEV (江鈴雷諾), Dayun Motor (大運汽車), the new project of Great Wall (長城新項目), the new project of Chery (奇瑞新項目) and Zhouzhihang (舟之航), passed the Dongfeng Nissan ASES audit and the Volkswagen quality system audit, and received the development and quotation inquiries for three new products from a European car brand, which fully demonstrated the affirmation of JEVE's technical capabilities from the leading customers. In February 2022, JEVE and Chery New Energy signed a strategic cooperation agreement, pursuant to which Chery New Energy intends to purchase power batteries from JEVE in the next three years.

Looking forward, based on the existing market capacity and scale, JEVE will conduct in-depth analysis and implement measures practically 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 leading position in the domestic soft package battery field, and finally become an outstanding green energy system solution provider.

Easun Technology

Established in 1974, FFT is one of the world's largest providers of intelligent manufacturing solutions. In July 2018, Easun Technology was established. In May 2019, Shanghai FFT Automation Technology Co., Ltd., the predecessor of Easun Technology, acquired 100% equity interest in FFT and became an integrated solutions provider for the automobile industry. Easun Technology completed introduction of strategic investors in early 2021. In July 2021, the first phase of factory construction of FFT global headquarters in Jiading District, Shanghai was completed. As at the end of the Reporting Period, the Group and the non-consolidated entities in which the Group participated in the investment held 83.70% equity interest in Easun Technology.

MANAGEMENT DISCUSSION & ANALYSIS

Since 2021, Easun Technology has been focusing on the development of two core businesses in the global market: (i) the design and assembly of automated and digital production lines and (ii) the design and upgrading of manufacturing software for the automotive industry, and will continue to accelerate the development of industrial digitalization business to provide customers with a full-dimensional coverage of intelligent factory solutions.

During the Reporting Period, in the face of the complex external environment, Easun Technology overcame the impact of the epidemic, strengthened its business foundation and continued to adhere to its corporate strategy.

In the future, while continuing to invest in R&D and global supply chain construction and reduce costs, Easun Technology will enhance the profitability and competitiveness of its main business in the automotive industry, expand its performance scale and market share, fully utilize its own automation technology accumulation, and continuously digest and absorb different industry techniques. Moreover, Easun Technology will continue to expand its existing proprietary technologies and standard product sequences in laser, vision, lightweight fixture, etc., build superior intelligent equipment as part of the production lines designed by it through endogenous R&D and outbound mergers and acquisitions, accelerate the development of industrial digitization business, and provide customers with complete smart factory solutions.

Wansheng

Wansheng was established in 1995 and listed on the SSE in October 2014. Since its establishment, Wansheng has been focusing on the production, R&D and sales of functional fine chemicals, and has become a world-leading producer of phosphorus-based flame retardant after years of development. The products of Wansheng can be divided into flame retardant, functional daily chemical additives, amine booster, catalyst and coating booster, which are all new field functional fine chemicals. Its products are mainly used in the "immediate needs" industry (for example: automotive, electronic appliances, network communication equipment, construction, furniture, personal care materials, etc.), which is closely related to daily life. As at the end of the Reporting Period, Nanjing Iron & Steel held 29.56% equity interest in Wansheng and was the controlling shareholder of Wansheng.

In the first half of 2022, due to the spreading epidemic, the global economic downturn and the weakening of demand in the end market, the downstream demand for phosphorus-based flame retardant, Wansheng's revenue was RMB1.795 billion, down 8% year-on-year, while net profit attributable to the parent was RMB0.24 billion, declined by 44% year-on-year due to a reduction in the sales volumes and gross margin of the products.

In terms of investment, Wansheng engaged in two new projects in the first half of 2022: (1) Wansheng entered into an agreement to acquire 100% equity interest in Shandong Hanfeng New Material Technology Co., Ltd. (山東漢峰新材料科技有限公司), which will help to comprehensively extend Wansheng's industrial chain, reduce production costs, secure raw material supply and enhance comprehensive competitiveness; and (2) Wansheng undertook investment jointly with Biocreat (Shenzhen) Biotechnology Co., Ltd. (百葵銳(深圳)生物科技有限公司) and Yangzhou Xinhesheng Investment Partnership (Limited Partnership) (揚州新合盛投資合夥企業(有限合夥)) to establish a R&D company, which will mainly focus on novel technique for the R&D and production of amino acid surfactants using biosynthesis. The project is a key initiative for Wansheng to implement its strategic planning on biotechnology.

In terms of capacity construction, Wansheng has four main production bases: (1) Zhejiang Linhai Duqiao Medical and Chemical Park Production Base, which produces flame retardants and coating additives, with a designed capacity of 133,500 tonnes; (2) Jiangsu Taixing Economic Development Production Base, which produces amine additives and catalysts, with a designed production capacity of 100,000 tonnes. In addition, the Dawei technical transformation project (annual output of 15,000 tonnes of fatty tertiary amines, 10,000 tonnes of quaternary ammonium salts, and 2,000 tonnes of electronic grade trioctylamine) has entered the trial production stage in August 2022; (3) Shandong Weifang Binhai Chemical Industry Production Base, which produces flame retardant raw materials, flame retardants, epoxy resins and additives, surfactants, etc., is still under construction. After the construction is completed, an additional capacity of 550,000 tonnes (319,300 tonnes in the first phase) will be added; and (4) The production base of Wenshang Chemical Industrial Park, Jining City, Shandong (Shandong Hanfeng), produces phosphorus trichloride (intermediate), phosphorus oxychloride, phosphorus pentachloride and other products, with a total production capacity of 190,000 tonnes, of which the first phase project (140,000 tonnes) has entered the trial production stage in August 2022.

Looking forward, Wansheng will create more value for customers through continuous innovation, become a trusted partner for global customers, and develop into a globally leading supplier of functional new materials.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Net Interest Expenditures

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB5,124.7 million for the six months ended 30 June 2022 from RMB4,546.4 million for the six months ended 30 June 2021. The increase in net interest expenditures was mainly attributable to the increase in the total debt. For the six months ended 30 June 2022, the interest rates of borrowings were approximately between 0.0% and 12.1% as compared with approximately between 0.0% and 9.8% over the same period of last year.

Tax

Tax of the Group was RMB1,295.5 million for the six months ended 30 June 2022, which was decreased by RMB987.9 million compared with that for the six months ended 30 June 2021 of RMB2,283.4 million. The decrease in tax was mainly due to the decrease 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, 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.

As at 30 June 2022, the Group's capital commitment contracted but not provided for was RMB11,975.8 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

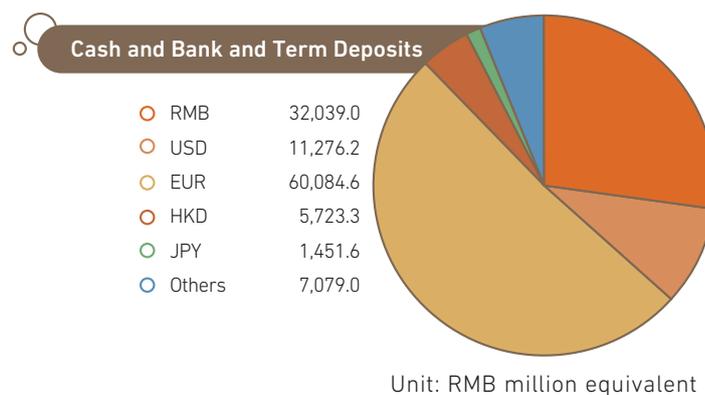
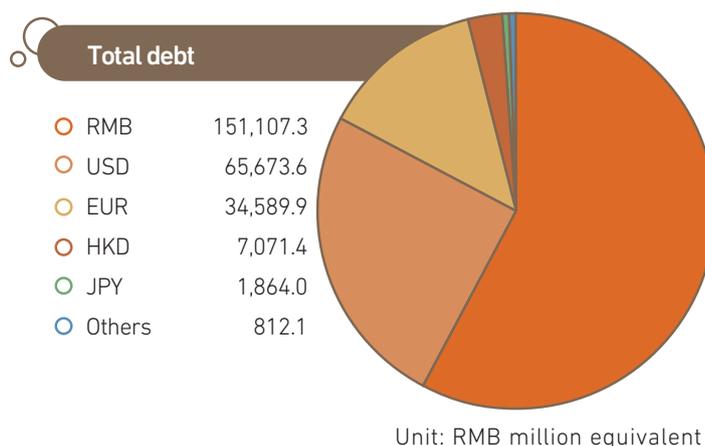
As of 30 June 2022, the total debt of the Group was RMB261,118.3 million, representing an increase from RMB237,119.5 million as of 31 December 2021, which was mainly due to the increase in borrowings as a result of business expansion of various segments of the Group. As of 30 June 2022, medium-to-long-term debt of the Group accounted for 52.6% of total debt, while 55.6% as of 31 December 2021. As of 30 June 2022, cash and bank balances and term deposits increased by RMB20,874.2 million to RMB117,653.7 million as compared with RMB96,779.5 million as of 31 December 2021.

During the Reporting Period, the average financing cost was 4.50%, which decreased by 0.05 percentage point as compared to that of the full year of 2021.

Unit: RMB million

	30 June 2022	31 December 2021
Total debt	261,118.3	237,119.5
Cash and bank and term deposits	117,653.7	96,779.5

The original denomination of the Group's debt as well as cash and bank and term deposits by currencies, equivalent in RMB, as at 30 June 2022, is summarized as follows:



Total Debt to Total Capital Ratio

As of 30 June 2022, the ratio of total debt to total capital was increased to 56.8% as compared with 53.8% as of 31 December 2021. 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.

MANAGEMENT DISCUSSION & ANALYSIS

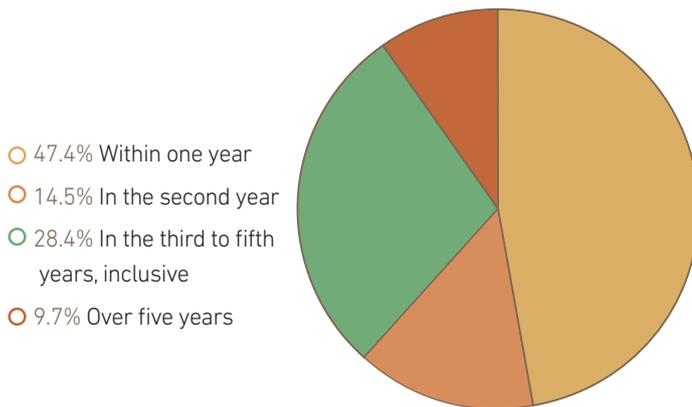
Basis of Calculating Interest Rate

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 2022, 59.0% 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 2022 are as follows:

**Available Facilities**

As at 30 June 2022, save for cash and bank balances and term deposits of RMB117,653.7 million, the Group had unutilized banking facilities of RMB151,305.6 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 2022, available banking facilities under these arrangements totaled RMB336,762.6 million, of which RMB185,457.0 million was utilized.

Pledged Assets

As at 30 June 2022, the Group had pledged assets of RMB121,311.7 million (31 December 2021: RMB85,768.6 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 RMB7,386.4 million as at 30 June 2022 (31 December 2021 RMB7,999.8 million). Details of contingent liabilities are set out in note 15 to interim condensed consolidated financial statements.

Interest Coverage

For the six months ended 30 June 2022, the interest coverage was 3.0 times as compared with 3.8 times for the same period in 2021. The decrease was mainly due to that EBITDA of the Group decreased to RMB15,576.3 million for the six months ended 30 June 2022 from RMB17,280.0 million for the six months ended 30 June 2021.

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.

MANAGEMENT DISCUSSION & ANALYSIS

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 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 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
REVENUE	3	82,891,645	70,442,935
Cost of sales		(55,425,441)	(46,636,642)
Gross profit		27,466,204	23,806,293
Other income and gains	3	9,683,290	11,127,713
Selling and distribution expenses		(11,334,264)	(10,997,140)
Administrative expenses		(13,111,371)	(11,949,317)
Other expenses		(4,981,495)	(3,817,243)
Finance costs	4	(5,462,548)	(4,740,527)
Amount reported in profit or loss applying the overlay approach		898,790	(5,525)
Share of profits of:			
Joint ventures		626,484	1,569,692
Associates		2,306,386	3,730,297
PROFIT BEFORE TAX	5	6,091,476	8,724,243
Tax	6	(1,295,463)	(2,284,979)
PROFIT FOR THE PERIOD		4,796,013	6,439,264
Attributable to:			
Owners of the parent		2,697,048	4,004,446
Non-controlling interests		2,098,965	2,434,818
		4,796,013	6,439,264
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic			
– For profit for the period (RMB)		0.32	0.48
Diluted			
– For profit for the period (RMB)		0.32	0.48

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
PROFIT FOR THE PERIOD	4,796,013	6,439,264
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 (loss)/income applying the overlay approach	(898,790)	5,525
Income tax effect	159,568	(25,954)
	(739,222)	(20,429)
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(6,341,855)	(1,252,981)
Changes in allowance for expected credit losses	(2,630)	(157,494)
Reclassification adjustments for loss on disposal included in the consolidated statement of profit or loss	54,115	46,308
Income tax effect	1,426,751	128,439
	(4,863,619)	(1,235,728)
Change in other life insurance contract liabilities due to potential loss on financial assets	189,154	64,338
Income tax effect	(39,509)	7,576
	149,645	71,914
Fair value adjustments of hedging instruments in cash flow hedges	157,921	112,800
Income tax effect	(39,731)	(32,197)
	118,190	80,603
Fair value adjustments of hedging of a net investment in a foreign operation	77,862	(203,981)
Income tax effect	(18,124)	46,745
	59,738	(157,236)
Share of other comprehensive (loss)/income of associates	(68,285)	13,917
Share of other comprehensive loss of joint ventures	(12,198)	–
Exchange differences on translation of foreign operations	65,136	(1,709,576)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(5,290,615)	(2,956,535)

For the six months ended 30 June

	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
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	16,337	2,131
Income tax effect	(2,859)	(448)
	13,478	1,683
Actuarial reserve relating to employee benefit	193,655	35,932
Income tax effect	(56,828)	(1,109)
	136,827	34,823
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	(32,353)	21,934
Income tax effect	8,672	(5,962)
	(23,681)	15,972
Share of other comprehensive (loss)/income of associates	(27,377)	23,634
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	99,247	76,112
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(5,191,368)	(2,880,423)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(395,355)	3,558,841
Attributable to:		
Owners of the parent	(1,702,389)	2,164,991
Non-controlling interests	1,307,034	1,393,850
	(395,355)	3,558,841

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	46,807,918	42,387,533
Investment properties		85,104,330	67,229,732
Right-of-use assets		18,899,056	18,608,758
Exploration and evaluation assets		356,116	411,330
Mining rights		488,861	496,997
Oil and gas assets		1,976,647	1,959,612
Intangible assets		31,658,154	27,243,823
Goodwill		25,934,009	24,804,818
Investments in joint ventures		27,293,696	33,395,605
Investments in associates		91,973,577	92,808,915
Financial assets at fair value through profit or loss		26,997,012	27,599,749
Equity investments designated at fair value through other comprehensive income		420,180	535,491
Debt investments at fair value through other comprehensive income		55,184,538	61,654,863
Debt investments at amortised cost		13,911,291	19,664,789
Properties under development		5,090,261	13,201,244
Due from related companies		368,224	1,470,128
Prepayments, other receivables and other assets		5,131,220	4,541,722
Deferred tax assets		8,544,399	6,939,879
Policyholder account assets in respect of unit-linked contracts		17,518,653	10,658,853
Insurance and reinsurance debtors		48,629	79,879
Reinsurers' share of insurance contract provisions		4,264,902	4,286,097
Term deposits		540,315	501,471
Placements with and loans to banks and other financial institutions		35,042	36,099
Loans and advances to customers		1,168,900	1,324,555
Derivative financial instruments		815,516	1,544,894
Finance lease receivables		371,456	226,315
Total non-current assets		470,902,902	463,613,151

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
CURRENT ASSETS			
Cash and bank balances		117,113,427	96,278,048
Financial assets at fair value through profit or loss		38,944,730	42,528,438
Debt investments at fair value through other comprehensive income		19,092,935	19,253,551
Debt investments at amortised cost		11,127,625	6,319,685
Derivative financial instruments		2,602,695	1,512,688
Trade and notes receivables	9	11,746,276	10,618,340
Contract assets and other assets		30,157	36,125
Prepayments, other receivables and other assets		23,475,967	30,819,560
Inventories		22,946,443	22,263,338
Completed properties for sale		14,364,234	14,781,146
Properties under development		46,008,345	38,007,620
Due from related companies		17,134,348	16,739,960
Policyholder account assets in respect of unit-linked contracts		1,581,896	2,049,768
Insurance and reinsurance debtors		19,508,427	17,118,624
Reinsurers' share of insurance contract provisions		8,592,120	7,404,807
Placements with and loans to banks and other financial institutions		515,534	389,384
Loans and advances to customers		17,330,631	15,469,317
Finance lease receivables		206,046	612,374
		372,321,836	342,202,773
Non-current assets classified as held for sale		6,460,593	556,217
Total current assets		378,782,429	342,758,990

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	10	123,692,316	105,227,290
Contract liabilities		21,598,652	20,315,595
Trade and notes payables	11	20,961,247	21,406,410
Accrued liabilities and other payables		39,384,026	37,872,829
Tax payable		10,576,393	11,896,130
Deposits from customers		75,823,593	71,742,751
Due to related companies		536,309	3,836,309
Derivative financial instruments		2,316,403	3,027,559
Accounts payable to brokerage clients		928,637	421,560
Unearned premium provisions		12,983,793	9,859,032
Provision for outstanding claims		26,671,622	24,577,492
Provision for unexpired risks		475,368	513,322
Financial liabilities for unit-linked contracts		–	109,911
Investment contract liabilities		10,819,626	9,571,295
Other life insurance contract liabilities		745,806	1,088,504
Insurance and reinsurance creditors		10,554,211	9,070,251
Financial liabilities at fair value through profit or loss		4,732,911	4,078,714
Due to banks and other financial institutions		6,118,588	1,541,056
Assets sold under agreements to repurchase		5,361,041	1,467,606
Placements from banks and other financial institutions		–	122,735
		374,280,542	337,746,351
Liabilities directly associated with the assets classified as held for sale		1,114,668	27,151
Total current liabilities		375,395,210	337,773,502
NET CURRENT ASSETS		3,387,219	4,985,488
TOTAL ASSETS LESS CURRENT LIABILITIES		474,290,121	468,598,639

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	10	137,426,023	131,892,195
Deposits from customers		36,759	108,641
Derivative financial instruments		1,710,121	2,713,232
Deferred income		1,032,743	971,999
Other long term payables		20,180,486	18,967,634
Deferred tax liabilities		19,064,718	16,771,734
Provision for outstanding claims		18,773,812	18,842,918
Financial liabilities for unit-linked contracts		18,700,743	12,598,710
Investment contract liabilities		30,146,522	36,319,428
Other life insurance contract liabilities		19,550,456	19,805,347
Insurance and reinsurance creditors		136,047	160,993
Contract liabilities		152,682	626,871
Due to banks and other financial institutions		2,751,848	2,834,815
Due to related companies		3,401,904	–
Due to the holding company		2,696,513	2,770,224
Total non-current liabilities		275,761,377	265,384,741
Net assets		198,528,744	203,213,898
EQUITY			
Equity attributable to owners of the parent			
Share capital		37,121,297	36,919,889
Treasury shares		(333,696)	(254,519)
Other reserves		90,050,725	94,404,536
		126,838,326	131,069,906
Non-controlling interests		71,690,418	72,143,992
Total equity		198,528,744	203,213,898

Guo Guangchang

Director

Gong Ping

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the parent										
	Issued capital	Treasury shares	Other deficits	Surplus reserve	Fair value	Other reserve	Retained earnings	Exchange	Total	Non-controlling interests	Total equity
					reserve			fluctuation reserve			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 31 December 2021 (audited)	36,919,889	(254,519)	(443,540)	16,601,416	(814,779)	6,131,977	77,084,283	(4,154,821)	131,069,906	72,143,992	203,213,898
Total comprehensive income/(loss) for the Period	-	-	-	-	(4,737,428)	363,196	2,697,048	(25,205)	(1,702,389)	1,307,034	(395,355)
Acquisition of subsidiaries (note 13(a))	-	-	-	-	-	-	-	-	-	393,921	393,921
Distributions to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(1,903,646)	(1,903,646)
Transfer from retained profits	-	-	-	344,914	-	-	(344,914)	-	-	-	-
Disposal of subsidiaries (note 13(b))	-	-	-	-	-	-	-	-	-	(15,527)	(15,527)
Final dividend declared	-	-	-	-	-	-	(2,072,867)	-	(2,072,867)	-	(2,072,867)
Share of other reserve of associates	-	-	-	-	-	(263)	-	-	(263)	(4,564)	(4,827)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(519,258)	-	-	(519,258)	(832,227)	(1,351,485)
Disposal of partial interests in subsidiaries without losing control	-	-	-	-	-	52,504	-	-	52,504	33,691	86,195
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	352,508	352,508
Deemed disposal of partial interests in subsidiaries	-	-	-	-	-	(37,505)	-	-	(37,505)	106,257	68,752
Reclassification of non-controlling interests to liabilities as if the acquisition took place due to put options granted to non-controlling shareholders of subsidiaries	-	-	-	-	-	(1,235)	-	-	(1,235)	(25,031)	(26,266)
Repurchase and cancellation of shares of the Company	-	43,473	-	-	-	-	(46,785)	-	(3,312)	-	(3,312)
Equity-settled share-based payments of the Company**	201,408	(122,650)	-	-	-	(26,013)	-	-	52,745	-	52,745
Equity-settled share-based payments of subsidiaries	-	-	-	-	-	-	-	-	-	134,010	134,010
At 30 June 2022 (unaudited)	37,121,297	(333,696)	(443,540)*	16,946,330*	(5,552,207)*	5,963,403*	77,316,765*	(4,180,026)*	126,838,326	71,690,418	198,528,744

* These reserve accounts comprise the consolidated other reserves of RMB90,050,725,000 (31 December 2021: RMB94,404,536,000) in the interim condensed consolidated statement of financial position.

** According to the share award scheme of the Company, 8,507,680 shares were vested during the Period.

	Attributable to owners of the parent										
	Issued capital	Treasury shares	Other deficits	Surplus reserve	Fair	Other reserve	Retained earnings	Exchange	Total	Non-controlling interests	Total equity
					value			fluctuation			
					reserve			reserve			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 31 December 2020 and 1 January 2021 (as previously reported)	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
Retrospective adjustments of business combination under common control	-	-	-	-	-	21,309	(23,365)	42	(2,014)	(89)	(2,103)
At 1 January 2021 (As restated)	36,785,936	(163,600)	(443,540)	14,662,667	469,333	6,206,439	71,521,951	(1,229,174)	127,810,012	65,274,512	193,084,524
Total comprehensive income/(loss) for the Period	-	-	-	-	(703,943)	164,774	4,004,446	(1,300,286)	2,164,991	1,393,850	3,558,841
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	(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 and cancellation 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)*	6,086,799*	71,634,140*	(2,529,460)*	127,659,619	65,259,616	192,919,235

* These reserve accounts comprise the consolidated other reserves of RMB90,948,211,000 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 for the six months ended 30 June 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		12,388,702	2,656,490
Tax paid		(4,409,477)	(3,697,932)
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES		7,979,225	(1,041,442)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment, intangible assets, exploration and evaluation assets and oil and gas assets		(4,294,142)	(3,912,254)
Prepayments for addition of right-of use assets		(42,252)	(192,510)
Increase of investment properties		(1,296,994)	(2,317,019)
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		(83,975,638)	(61,604,308)
Decrease in deposits of derivative financial instruments		39,813	102,138
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		88,256,107	61,888,790
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		1,006,121	1,114,865
Disposal of subsidiaries	13(b)	1,180,328	867,843
Proceeds from disposal or partial disposal of associates and joint ventures		4,453,344	2,450,112
Acquisition of subsidiaries	13(a)	174,999	(900,941)
Investment in associates and joint ventures		(458,160)	(5,109,124)
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		2,369,516	2,467,880
(Increase)/decrease in pledged bank balances and time deposits with original maturity of more than three months		(993,527)	3,236,303
Prepayments for proposed acquisitions of long term assets		(152,823)	(537,795)
Interest received		350,359	537,249
NET CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES		6,617,051	(1,908,771)

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	293,328	862,380
New bank and other borrowings	83,613,075	93,755,139
Principal portion of lease payments	(1,514,591)	(1,445,891)
Repayment of bank and other borrowings	(65,290,309)	(78,248,920)
Funding received from third parties	731,665	-
Distribution paid to non-controlling shareholders of subsidiaries	(1,748,400)	(870,164)
Acquisition of additional interests in subsidiaries	(1,292,734)	(1,528,515)
Interest paid	(5,882,284)	(5,289,406)
Disposal of partial interests in subsidiaries without losing control	86,195	46,705
Dividend paid to the controlling shareholder	(1,638,312)	-
Repurchase of shares	(13,391)	(562,591)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	7,344,242	6,718,737
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,940,518	3,768,524
Cash and cash equivalents at beginning of the Period	86,257,727	93,774,474
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	108,198,245	97,542,998
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
CASH AND BANK BALANCES AT END OF THE PERIOD	117,653,742	106,086,457
Less: Pledged bank balances and term deposits with original maturity of more than three months	(7,180,011)	(6,567,588)
Required reserve deposits	(399,881)	(499,281)
Restricted presale proceeds of properties	(1,875,605)	(1,476,590)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	108,198,245	97,542,998

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

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 2022 (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 2021.

The financial information relating to the year ended 31 December 2021 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 2021 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 2021. 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 2021, 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 3

Reference to the Conceptual Framework

Amendments to HKAS 16

Property, Plant and Equipment: Proceeds before Intended Use

Amendments to HKAS 37

Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to HKFRSs 2018-2020

Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. The amendments did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on after 1 January 2021. The amendments did not have any significant impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022. The amendments did not have any significant impact on the financial position or performance of the Group.
- (d) Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
 - HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. The amendment did not have any significant impact on the financial position or performance of the Group.
 - HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

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

1.3 PRIOR PERIOD RESTATEMENT

1.3.1 RESTATEMENT OF PRIOR PERIOD'S FINANCIAL STATEMENTS AS A RESULT OF BUSINESS COMBINATIONS FOR ENTITIES UNDER COMMON CONTROL

In September 2021, Shanghai Fuyu Culture and Development Co., Ltd. (renamed as Shanghai Fosun Sports Group Co., Ltd), an indirectly owned subsidiary of the Company acquired the domestic target assets held by Shanghai Foyo Culture and Entertainment Co., Ltd. and 100% equity interest in Shanghai Mengmeng Information Technology Co., Ltd. ("Shanghai Mengmeng"), Shanghai Yichuan Information Technology Co., Ltd. ("Shanghai Yichuan"), Shanghai Quanzhudong Information Technology Co., Ltd. ("Shanghai Quanzhudong"), Shanghai Fuqinglan Information Technology Co., Ltd. ("Shanghai Fuqinglan"), Shanghai Maibu Information Technology Co., Ltd. ("Shanghai Maibu") at a purchase consideration of RMB80,000,000. The Domestic Target Companies (namely, Shanghai Mengmeng, Shanghai Yichuan, Shanghai Quanzhudong, Shanghai Fuqinglan and Shanghai Maibu) are principally engaged in the businesses of e-sports, sports, information services and games.

In September 2021, Fosun Sports Group S.à.r.l., an indirectly owned subsidiary of the Company, acquired 80.00% equity interest in Restart Limited ("Restar") held by HD Games Limited and 100% equity interest in EZ Games Digital Technology Co., Ltd. ("EZ Games") at a purchase consideration of RMB180,000,000. The HK Target Companies (namely, EZ Games and Restar) are principally engaged in businesses of game publishing in Hong Kong, Macau, Taiwan region, and Japan.

After the completion of the acquisition, these acquired companies were accounted for as subsidiaries of the Group. Since the Company and these acquired companies were under common control of Mr. Guo Guangchang ("Mr. Guo", the ultimate controlling shareholder of the Company) before and after the completion of the aforesaid acquisition, the business combination of these acquired companies have been accounted for by applying pooling of interest method.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements

Upon transfer of interest in an entity to another entity that is under the control of the ultimate shareholder that controls the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

The opening balances as at 1 January 2021 and comparative information for the period ended 30 June 2021 have been restated in the interim condensed consolidated financial statements.

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

1.3 PRIOR PERIOD RESTATEMENT *(Continued)*

1.3.2 QUANTITATIVE IMPACT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Restated interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2021:

	As previously reported RMB'000	Effect of prior period adjustments RMB'000 (note 1.3.1)	As restated RMB'000
Profit for the period	6,496,999	(57,735)	6,439,264
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(2,956,535)	–	(2,956,535)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	76,112	–	76,112
Total comprehensive income for the period	3,616,576	(57,735)	3,558,841
Attributable to:			
Owners of the parent	2,222,726	(57,735)	2,164,991
Non-controlling interests	1,393,850	–	1,393,850

Details of the restated interim condensed consolidated statement of profit or loss for the six-months ended 30 June 2021 includes the followings:

	As previously reported RMB'000	Effect of prior period adjustments RMB'000 (note 1.3.1)	As restated RMB'000
Revenue	70,405,793	37,142	70,442,935
Cost of sales	(46,551,087)	(85,555)	(46,636,642)
Other income and gains	11,119,866	7,847	11,127,713
Selling and distribution expenses	(10,988,775)	(8,365)	(10,997,140)
Administrative expenses	(11,942,101)	(7,216)	(11,949,317)
Other expenses	(3,817,212)	(31)	(3,817,243)
Finance costs	(4,740,527)	–	(4,740,527)
Tax	(2,283,422)	(1,557)	(2,284,979)

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.

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 utilization 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 utilization 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 2022 (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	22,977,552	31,965,270	15,889,025	6,932,834	5,126,964	-	82,891,645
Inter-segment sales	389,027	100,086	-	149,791	-	(638,904)	-
Total revenue	23,366,579	32,065,356	15,889,025	7,082,625	5,126,964	(638,904)	82,891,645
Segment results:							
Profit before tax	2,437,026	264,702	(222,725)	2,277,453	1,388,357	(53,337)	6,091,476
Tax	(541,317)	(229,883)	(69,859)	(283,092)	(171,312)	-	(1,295,463)
Profit/(loss) for the Period	1,895,709	34,819	(292,584)	1,994,361	1,217,045	(53,337)	4,796,013
Other segment information:							
Interest and dividend income	126,580	143,736	1,710,567	551,437	16,756	(91,797)	2,457,279
Other income and gains (excluding interest and dividend income)	996,995	651,628	2,512,386	3,082,252	(2,673)	(14,577)	7,226,011
Amount reported in profit or loss applying the overlay approach	-	-	898,790	-	-	-	898,790
Impairment losses recognised in the statement of profit or loss, net	(91,440)	1,624	(40,015)	(58,817)	(73,014)	-	(261,662)
Finance costs	(536,347)	(1,483,517)	(838,116)	(2,544,732)	(152,043)	92,207	(5,462,548)
Share of profits and losses of							
- Joint ventures	(99,564)	220,725	(19,056)	81,488	442,891	-	626,484
- Associates	922,471	(92,450)	160,703	973,647	380,522	(38,507)	2,306,386

2. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2021 (restated) (unaudited)

	Health	Happiness	Wealth		Intelligent Manufacturing		Total
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	Eliminations RMB'000	RMB'000
Segment revenue:							
Sales to external customers	18,948,617	28,378,241	15,475,044	4,071,302	3,569,731	–	70,442,935
Inter-segment sales	333,378	120,198	282	103,288	–	(557,146)	–
Total revenue	19,281,995	28,498,439	15,475,326	4,174,590	3,569,731	(557,146)	70,442,935
Segment results:							
Profit before tax	3,476,662	(647,728)	2,203,987	1,778,532	1,952,082	(39,292)	8,724,243
Tax	(522,787)	(710,423)	(482,710)	(436,301)	(132,758)	–	(2,284,979)
Profit/(loss) for the period	2,953,875	(1,358,151)	1,721,277	1,342,231	1,819,324	(39,292)	6,439,264
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	901,342	2,621,465	2,450,820	276,126	(17,982)	8,368,702
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)*

Total segment assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows:

Segment assets:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Health	111,974,940	107,245,951
Happiness	201,324,806	194,575,279
Wealth		
Insurance	211,679,251	208,579,832
Asset Management	286,084,964	259,246,571
Intelligent Manufacturing	50,456,282	47,755,786
Eliminations*	(11,834,912)	(11,031,278)
Total consolidated assets	849,685,331	806,372,141

Segment liabilities:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Health	57,539,073	51,848,370
Happiness	147,874,340	138,408,998
Wealth		
Insurance	194,136,108	185,589,288
Asset Management	243,269,691	220,157,048
Intelligent Manufacturing	17,300,069	16,346,353
Eliminations*	(8,962,694)	(9,191,814)
Total consolidated liabilities	651,156,587	603,158,243

* 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	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Chinese Mainland	44,132,712	40,787,382
Portugal	7,887,293	8,527,445
Other countries and regions	30,871,640	21,128,108
Total Revenue	82,891,645	70,442,935

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	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Revenue			
Revenue from contracts with customers			
– Sale of goods		49,709,376	42,983,167
– Rendering of services		16,416,197	11,326,653
		66,125,573	54,309,820
Revenue from other sources			
– Insurance revenue	(1)	15,694,124	15,265,863
– Rental income		1,079,667	952,344
– Interest income		379,690	230,379
		17,153,481	16,448,586
Others			
– Less: Government surcharges		(387,409)	(315,471)
		82,891,645	70,442,935
(1) Insurance revenue:			
Gross premiums written		21,630,123	17,910,794
Less: Premiums ceded to reinsurers and retrocessionaires		(3,768,603)	(3,289,672)
Net premiums written		17,861,520	14,621,122
Change in unearned premium provisions, net of reinsurance		(2,167,396)	644,741
Net earned premiums		15,694,124	15,265,863

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 2022 (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	18,302,007	23,330,920	905	2,966,406	5,109,138	49,709,376
Rendering of services	4,724,338	8,708,922	194,549	2,718,440	69,948	16,416,197
	23,026,345	32,039,842	195,454	5,684,846	5,179,086	66,125,573
Timing of revenue recognition						
Goods transferred at a point in time	18,302,007	23,330,920	905	2,966,406	5,109,138	49,709,376
Services transferred over time	4,724,338	8,708,922	194,549	2,718,440	69,948	16,416,197
	23,026,345	32,039,842	195,454	5,684,846	5,179,086	66,125,573

For the six months ended 30 June 2021 (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	14,585,621	23,915,886	–	869,420	3,612,240	42,983,167
Rendering of services	4,344,532	4,455,268	209,785	2,300,564	16,504	11,326,653
	18,930,153	28,371,154	209,785	3,169,984	3,628,744	54,309,820
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	4,455,268	209,785	2,300,564	16,504	11,326,653
	18,930,153	28,371,154	209,785	3,169,984	3,628,744	54,309,820

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	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Other income		
Interest income	422,985	530,076
Dividends and interest from financial assets	2,034,294	2,228,935
Rental income	244,918	290,351
Government grants	281,203	405,396
Consultancy and other service income	–	212,075
Fee income relating to investment contracts and reinsurance profit sharing	698,758	387,411
Others	728,014	699,410
	4,410,172	4,753,654
Gains		
Gain on disposal of subsidiaries (note 13(b))	464,257	353,983
Gain on deemed disposal of associates	10,234	2,893
Gain on disposal/partial disposal of associates	958,443	780,873
Gain on bargain purchase of subsidiaries (note 13(a))	256,514	–
Gain on disposal of items of property, plant and equipment	3,480	100
Gain on disposal of items of intangible assets	8,728	–
Gain on disposal of debt investments at fair value through other comprehensive income	–	202,922
Gain on fair value adjustment of investment properties	2,810,602	122,742
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	2,630	157,494
Gain on rent concessions as a result of the COVID-19 pandemic	52,088	55,556
Exchange gains, net	706,142	698,080
	5,273,118	6,374,059
Other income and gains	9,683,290	11,127,713

4. FINANCE COSTS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Total interest expenses (excluding lease liabilities)	5,544,160	5,152,995
Incremental interest on other long term payables	2,642	2,305
Interest on lease liabilities	301,993	308,788
Less: Interest capitalised, in respect of bank and other borrowings	(735,529)	(926,145)
Interest expenses, net	5,113,266	4,537,943
Interest on discounted bills	11,451	8,453
Bank charges and other finance costs	337,831	194,131
Total finance costs	5,462,548	4,740,527

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Cost of sales	55,425,441	46,636,642
Depreciation of items of property, plant and equipment (note 8)	1,708,264	1,655,929
Depreciation of items of right-of-use assets	1,218,145	1,221,999
Amortisation of:		
Mining rights	8,136	8,763
Intangible assets	1,190,381	976,163
Oil and gas assets	235,210	146,524
Impairment of financial assets, net:		
– Impairment of receivables	6,332	22,205
– Reversal of impairment of debt investments measured at fair value through other comprehensive income	(2,630)	(157,494)
– Reversal of impairment of loans and advances to customers	(6,088)	–
– Impairment of insurance and reinsurance debtors	26,814	14,717
– Provision for/(reversal of) impairment of debt investments at amortised cost	2,866	(11,864)
– Impairment of finance lease receivables	28,219	27,442
– Impairment of prepayments and other assets	45,224	–
Provision for inventories	113,945	49,556
Provision for impairment of investments in associates	8,403	1,191,697
Provision for impairment of completed properties for sale	31,579	854
Provision for impairment of items of property, plant and equipment (note 8)	4,831	74,167
Provision for impairment of right-of-use assets	2,167	–
Loss/(gain) on fair value adjustment of financial assets at fair value through profit or loss	2,192,142	(3,987,552)
Loss/(gain) on disposal of debt investments at fair value through other comprehensive income	60,582	(202,922)
Loss on derivative financial instruments	1,486,961	792,363

6. TAX

The major components of tax expenses for the six months ended 30 June 2022 and 2021 are as follows:

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Current – Portugal, Hong Kong and others	(1)	1,374,575	1,325,593
Current – Chinese Mainland			
– Income tax in Chinese Mainland for the period	(2)	837,631	739,777
– LAT in Chinese Mainland for the period	(3)	346,953	438,179
Deferred		(1,263,696)	(218,570)
Tax expenses for the period		1,295,463	2,284,979

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 2021: 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 2021: 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 2021: 6%).

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 2021: 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 2021: 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 2021: 32.02%).

The provision for income tax of Hauck Aufhäuser Lampe Privatbank AG and its subsidiaries which was incorporated in Germany is based on a rate of 31.80% (six months ended 30 June 2021: 32.10%).

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 2021: 25.17%).

- (2) The provision for Chinese Mainland current income tax is based on a statutory rate of 25% (six months ended 30 June 2021: 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 RMB149,165,000 (six months ended 30 June 2021: RMB204,232,000).

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 RMB448,325,000 (six months ended 30 June 2021: RMB258,695,000) 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 RMB250,537,000 (six months ended 30 June 2021: RMB24,748,000) 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 8,294,589,202 (six months ended 30 June 2021: 8,367,986,984) 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 weighted average 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	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent	2,697,048	4,004,446
Less: Cash dividends distributed to share award scheme	(10,928)	(3,958)
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,686,120	4,000,488
Cash dividends distributed to the share award scheme	10,928	3,958
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	2,697,048*	4,004,446
	Number of shares For the six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	8,294,589,202	8,367,986,984
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	8,204,250	8,013,313
– Share option scheme	–	2,706,033
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	8,302,793,452*	8,378,706,330
Basic earnings per share (RMB)	0.32	0.48
Diluted earnings per share (RMB)	0.32	0.48

* 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 2022 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 2022. Therefore, the diluted earnings per share amount is based on the profit for the six months ended 30 June 2022 of RMB2,686,120,000, and the weighted average number of ordinary shares of 8,294,589,202 in issue for the six months ended 30 June 2022.

8. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Carrying value at beginning of the Period (audited)	42,387,533	42,459,864
Additions	2,602,564	2,563,865
Acquisition of subsidiaries (note 13(a))	4,530,597	28,436
Transfer from investment properties	142,157	49,579
Disposal of subsidiaries (note 13(b))	(332,528)	(444,964)
Disposals	(201,625)	(229,662)
Transfer to assets classified as held for sale	(420,070)	–
Transfer to properties under development	–	(560,128)
Transfer to investment properties	(6,290)	(117,460)
Provision for impairment (note 5)	(4,831)	(74,167)
Depreciation charge for the Period (note 5)	(1,708,264)	(1,655,929)
Exchange realignment	(181,325)	(439,975)
Carrying value at end of the Period (unaudited)	46,807,918	41,579,459

As at 30 June 2022, the Group's property, plant and equipment with a net carrying value of RMB11,714,756,000 (31 December 2021: RMB6,939,074,000) 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	31 December
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Audited)
Trade receivables	11,123,632	9,898,180
Notes receivable	622,644	720,160
	11,746,276	10,618,340

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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	8,177,733	6,932,049
91 to 180 days	1,266,666	1,542,199
181 to 365 days	1,287,843	1,072,648
1 to 2 years	493,811	458,445
2 to 3 years	250,052	239,691
Over 3 years	262,668	269,834
	11,738,773	10,514,866
Less: Provision for impairment of trade receivables	615,141	616,686
	11,123,632	9,898,180

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 2022, the Group's trade and notes receivables with a carrying amount of approximately RMB397,642,000 (31 December 2021: RMB343,442,000) 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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		411,684	450,175
Secured		59,341,295	45,076,757
Unsecured		99,474,316	86,359,841
		159,227,295	131,886,773
Corporate bonds and enterprise bonds	(2)	28,780,620	32,662,840
Private placement bond	(3)	2,229,861	3,044,482
Senior notes	(4)	32,137,049	35,191,798
Medium-term notes	(5)	13,379,978	14,819,948
Super short-term commercial papers	(6)	9,087,420	6,080,270
Exchangeable Bonds	(7)	1,891,053	-
Other borrowings, secured	(8)	11,715,630	10,626,334
Other borrowings, unsecured	(8)	2,669,433	2,807,040
Total		261,118,339	237,119,485
Portion classified as current liabilities		(123,692,316)	(105,227,290)
Non-current portion		137,426,023	131,892,195

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 2022 RMB'000	31 December 2021 RMB'000
Pledge of assets:		
Buildings (note 8)	11,117,493	6,557,577
Plant and machinery (note 8)	22,934	2,949
Construction in progress (note 8)	574,329	378,548
Investment properties	50,618,848	29,926,806
Right-of-use assets	1,574,741	1,596,739
Properties under development	29,590,979	24,654,365
Completed properties for sale	9,365,293	5,971,743
Trade and notes receivables (note 9)	397,642	343,442
Pledged bank balances	449,205	93,989
Finance lease receivables	191,946	670,276
Inventories	736,254	431,954
Investment in an associate	12,569,851	14,043,753
Financial assets at fair value through profit or loss	3,720,269	682,898
Intangible assets	6,079	76,812
Debt investments at fair value through value through comprehensive income	375,838	336,713

Apart from the above, certain interest-bearing bank borrowings are secured by investments in subsidiaries as at 30 June 2022.

Interest-bearing bank and other borrowings amounted to RMB402,684,000 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 11.85% (31 December 2021: 0.00% to 12.15%) per annum.

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

Notes: *(Continued)*

(2) Corporate bonds and enterprise bonds

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. On 13 August 2021, Fosun Pharma repaid in advance with a par value of RMB554,999,000. Interest is paid annually in arrears and the maturity date is 13 August 2023.

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. On 26 November 2021, Yuyuan repaid in advance with a par value of RMB1,474,566,000. 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 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 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 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 three-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. Among these, corporate bonds with a par value of RMB1,582,300,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 2 November 2025.

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 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.

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

Notes: *(Continued)*

(2) Enterprise and corporate bonds *(Continued)*

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. On 1 June 2022, Fosun High Technology repaid in advance with a par value of RMB1,200,000,000. Among the rest of enterprise and corporate bonds, the ones with a par value of RMB230,000,000 were purchased by third party investors. 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 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.

On 23 July 2021, Yuyuan issued two-year domestic corporate bonds with a par value of RMB500,000,000 and an effective interest rate of 4.10% per annum. Interest is paid annually in arrears and the maturity date is 23 July 2023.

On 27 July 2021, Fosun High Technology issued three-year offshore corporate bonds with a par value of USD200,000,000 and an effective interest rate of 4.42% per annum. Interest is paid semi-annually in arrears and the maturity date is 27 July 2024.

On 16 September 2021, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB2,000,000,000 and an effective interest rate of 5.78% per annum. Interest is paid annually in arrears and the maturity date is 16 September 2023.

On 18 January 2022, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB1,600,000,000 and an effective interest rate of 6.36% per annum. Interest is paid annually in arrears and the maturity date is 18 January 2024.

On 15 March 2022, Fosun High Technology issued three-year offshore corporate bonds with a par value of USD150,000,000 and an effective interest rate of 3.24% per annum. Interest is paid semi-annually in arrears and the maturity date is 15 March 2025.

On 21 March 2022, Yuyuan issued three-year domestic corporate bonds with a par value of RMB550,000,000 and an effective interest rate of 4.95% per annum. Interest is paid annually in arrears and the maturity date is 21 March 2025.

(3) Private placement bonds

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.

On 22 November 2021, Napier TMK, a subsidiary of Fosun Property Holdings Limited, issued three-year private placement bonds with a par value of JPY 1,500,000,000 and the effective interest rate is 12.69% per annum. Interest is paid quarterly in arrears and the maturity date is 22 November 2024.

On 28 March 2022, Napier TMK, a subsidiary of Fosun Property Holdings Limited, issued private placement bonds with a par value of JPY 3,500,000,000 and the effective interest rate is 5.19% per annum. Interest is paid quarterly in arrears and the maturity date is 31 October 2024.

On 1 April 2022, Tekabo TMK, a subsidiary of Fosun Management Holdings Limited, issued private placement bonds with a par value of JPY 700,000,000 and the effective interest rate is 1.69% per annum. Interest is paid quarterly in arrears and the maturity date is 1 April 2027.

(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 EUR 114,200,000 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 USD371,262,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 17 August 2023.

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 USD440,606,000 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 USD692,000,000 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.

On 2 July 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of EUR500,000,000 and an effective interest rate of 4.15%. Among these, senior notes with a par value of EUR488,000,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 2 October 2026.

(5) Medium-term notes

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 RMB880,000,000 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 RMB910,000,000 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.

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 RMB860,000,000 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.

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

Notes: *(Continued)*

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

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. 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 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.

On 9 September 2021, Yuyuan issued two-year medium-term notes with a par value of RMB700,000,000 and an effective interest rate of 4.20% per annum. Interest is paid annually in arrears and the maturity date is 9 September 2023.

On 15 October 2021, Yuyuan issued three-year medium-term notes with a par value of RMB500,000,000 and an effective interest rate of 4.70% per annum. Among these, medium-term notes with a par value of RMB480,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 15 October 2024.

On 9 March 2022, Fosun Pharma issued four-year medium-term notes with a par value of RMB500,000,000 and an effective interest rate of 3.55% per annum. Interest is paid annually in arrears and the maturity date is 9 March 2026.

(6) Super short-term commercial papers

On 24 January 2022, Fosun High Technology issued super short-term commercial papers with a par value of RMB1,000,000,000 and an effective interest rate of 4.70% per annum. Interest is payable at the maturity date which is 22 July 2022.

On 17 February 2022, Fosun High Technology issued super short-term commercial papers with a par value of RMB2,500,000,000 and an effective interest rate of 4.77% per annum. Interest is payable at the maturity date which is 16 August 2022.

On 23 March 2022, Fosun High Technology issued super short-term commercial papers with a par value of RMB800,000,000 and an effective interest rate of 5.08% per annum. Interest is payable at the maturity date which is 19 September 2022.

On 13 April 2022, Fosun Pharma issued super short-term commercial papers with a par value of RMB600,000,000 and an effective interest rate of 2.65% per annum. Interest is payable at the maturity date which is 11 August 2022.

On 18 April 2022, Yuyuan issued super short-term commercial papers with a par value of RMB1,500,000,000 and an effective interest rate of 3.97% per annum. Interest is payable at the maturity date which is 14 October 2022.

On 29 April 2022, Fosun High Technology issued super short-term commercial papers with a par value of RMB1,000,000,000 and an effective interest rate of 5.05% per annum. Interest is payable at the maturity date which is 26 October 2022.

On 15 June 2022, Yuyuan issued super short-term commercial papers with a par value of RMB1,600,000,000 and an effective interest rate of 4.19% per annum. Interest is payable at the maturity date which is 9 December 2022.

(7) Exchangeable Bonds

On 29 March 2022, Fosun High Technology issued 3-year Exchangeable Bonds (the "Exchangeable Bonds") with a par value of RMB2 billion. The Exchangeable Bonds are convertible into ordinary shares of Hainan Mining Co., Ltd. ("Hainan Mining"), a subsidiary of the Group which is a listed company in Shanghai Stock Exchange. The Exchangeable Bonds bear a fixed annual interest rate of 1%. The initial conversion price is RMB10.26 per share. The bondholders can convert the Exchangeable Bonds into the shares of Hainan Mining at the prevailing conversion price during the period from 29 September 2022 to 21 March 2025 (the "Conversion Period"). The maturity date of the Exchangeable Bonds is 28 March 2025. On the maturity date, Fosun High Technology will redeem the outstanding Exchangeable Bonds at 109% of the par value, excluding the interest in the third year. During the Conversion Period, if the closing price of Hainan Mining's A Shares is not less than 130% (inclusive 130%) of the prevailing conversion price for at least 15 trading days out of any 30 consecutive trading days, or if the total unconverted amount is less than RMB30 million, Fosun High Technology has the right to redeem all or part of the outstanding Exchangeable Bonds at par value plus accrued interest. Within six months before the maturity date of the Exchangeable Bonds, if the closing price of Hainan Mining's A Shares is less than 70% of the prevailing conversion price for at least 15 trading days out of any 30 consecutive trading days, the bondholders have the right to sell all or part of the Exchangeable Bonds at par value plus accrued interest to the issuer. As at 30 June 2022, the prevailing conversion price of the Exchangeable Bonds was RMB10.23 per share.

(8) Other borrowings

The asset-backed securities issued by Fosun Tourism Group ("FTG"), a subsidiary of the Group, were backed by the Atlantis Sanya hotel and water park as mortgages, and the 100% equity interest in Hainan Atlantis Commerce and Tourism Development Co., Ltd. and operating revenue of Atlantis Sanya as a pledge. The fund raised by FTG from the third-party investors amounted to RMB6,092,907,000 was recorded as other borrowings as at 30 June 2022.

The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 0.0% to 8.32% (31 December 2021: 0.0% to 9.8%) per annum.

11. TRADE AND NOTES PAYABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables	18,822,069	19,597,969
Notes payable	2,139,178	1,808,441
	20,961,247	21,406,410

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	10,648,450	11,403,912
91 to 180 days	2,012,258	2,090,052
181 to 365 days	3,036,350	3,385,232
1 to 2 years	1,330,020	1,631,731
2 to 3 years	1,010,652	679,312
Over 3 years	784,339	407,730
	18,822,069	19,597,969

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	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Final declared – HKD0.30 per ordinary share (2021: HKD0.22)	2,072,867	1,537,028

The proposed final dividend of HKD0.30 per ordinary share for the year ended 31 December 2021 was approved by the shareholders at the annual general meeting of the Company on 2 June 2022.

The board of directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2021: 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 March 2022, the Group, completed the acquisition of 50% equity interests in Shanghai Fosun Bund Real Estate Company Limited ("Fosun Bund Real Estate"), a former joint venture, at the consideration of RMB6,342,187,500. After the completion of the acquisition, the Group held 100% equity interest in Fosun Bund Real Estate. The major asset of Fosun Bund Real Estate is the property, Bund Finance Center located in Shanghai. The acquisition was undertaken to further develop the property business under the asset management segment of the Group.

In April 2022, the Group, through its subsidiaries signed the termination of voting agreement with Hong Kong Sanyuan Foods Co. Limited ("Sanyuan") ("Termination Agreement"), according to which the delegation of the 2% voting rights in HCo Lux S.à r.l. ("HCo") by the Group to Sanyuan was terminated. The Group and Sanyuan held 51% and 49% equity interests in HCo respectively. After the completion of the approval of the Termination Agreement in April 2022, the Group could exercise control over HCo and HCo was accounted for as the subsidiary of the Group. The acquisition was undertaken to further develop the business under the happiness segment of the Group.

In January 2022, Shanghai Fosun Health Technology (Group) Co., Ltd., a subsidiary of Fosun Pharma, acquired 70% equity interest in Guangzhou Xinshi Hospital Co., Ltd. from third party. The consideration was RMB809,200,000. The acquisition was undertaken to further develop the pharmaceutical manufacturing business under the health segment of the Group.

In February 2022, Fidelidade - Companhia de Seguros, S.A., a subsidiary of the Group, completed the acquisition of 70% equity interest in The Prosperity Company, from a third party. The consideration was CHF 28,529,376 (equivalent to RMB192,737,000). The acquisition was undertaken to further develop the Insurance business under the wealth 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.

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

(a) Acquisition of subsidiaries *(Continued)*

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

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:

	Fair value recognised on acquisition RMB '000 (Unaudited)
Property, plant and equipment (note 8)	4,530,597
Intangible assets	4,786,327
Right-of-use assets	16,589
Cash and bank balances	1,095,637
Investment properties	18,880,377
Financial assets at fair value through profit or loss	121,713
Debt investments at fair value through other comprehensive income	37,321
Deferred tax assets	100,927
Trade and notes receivables	174,550
Due from related companies	628,492
Prepayments, other receivables and other assets	438,834
Policyholder account assets in respect of unit-linked contracts	4,328,104
Inventories	91,455
Derivative financial instruments	3,640
Insurance and reinsurance debtors	709,032
Interest-bearing bank and other borrowings	(6,710,555)
Trade and notes payables	(248,950)
Accrued liabilities and other payables (excluding lease liabilities)	(1,625,824)
Due to related companies	(5,243,652)
Tax payable	(230,891)
Lease liabilities	(81,227)
Contract liabilities	(4,769)
Unearned premium provisions	(364)
Provision for unexpired risks	(22,623)
Other life insurance contract liabilities	(3,233)
Financial liabilities for unit-linked contracts	(4,160,381)
Deferred tax liabilities	(3,473,247)
Total identifiable net assets at fair values	14,137,879
Non-controlling interests	(393,921)
Total net assets acquired	13,743,958
Gain on bargain purchase of subsidiaries (note 3)	(256,514)
Goodwill on acquisition	1,132,467
	14,619,911

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	7,572,885
Investments in an associate	679,196
Investments in a joint venture	6,367,830
	14,619,911

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.

(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	(7,572,885)
Cash and cash equivalents acquired	1,095,637
Payment of unpaid cash consideration as at 31 December 2021	(13,620)
Cash paid as at 31 December 2021	6,504,027
Unpaid cash consideration as at 30 June 2022	161,840
Net inflow of cash and cash equivalents included in cash flows from investing activities	174,999

(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 2022	25,891,560
Acquisition of subsidiaries	1,132,467
Disposal of subsidiaries	(59,244)
Exchange realignment	55,968
At 30 June 2022	27,020,751
Accumulated impairment losses	
At 1 January 2022	1,086,742
Impairment losses recognised during the Period	-
At 30 June 2022	1,086,742
Net book value	
At 1 January 2022	24,804,818
At 30 June 2022	25,934,009

Since the acquisitions, the acquired subsidiaries contributed RMB789,500,000 to the Group's revenue and a profit of RMB1,437,588,000 to the consolidated profit for the six months ended 30 June 2022.

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 RMB83,358,329,000 and RMB4,836,971,000, respectively.

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

(b) Disposal of subsidiaries

The major disposal of subsidiaries during the Period were as follows:

In February 2022, Fosun Pharma, a subsidiary of the Group, disposed 100% of equity interest in Shanghai Blood Transfusion Technology Co.,Ltd. to a third party, for a consideration RMB390,000,000.

In June 2022, FTG, a subsidiary of the Group, completed the disposal of its 100% equity interests in Evia Property Single Member S.A. ("Evia Property") to a third party buyer, at a consideration of EUR 66,390,000 (equivalent to RMB470,543,000). The major asset of Evia Property are the Gregolimano Resorts located in Greece. FTG then entered into a lease contract with the buyer for the leaseback of the assets of Gregolimano on a 15-year term and continued to operate the resort. The Group measured the right-of-use assets arising from the leaseback for the proportion that relates to the right of use retained by the Group and recognised the amount of the gain that relates to the rights transferred to the buyer.

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

	30 June 2022 RMB'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment (note 8)	332,528
Intangible asset	72,589
Goodwill (note 13(a))	59,244
Deferred tax assets	531
Cash and bank balances	43,515
Trade and notes receivables	60,970
Prepayments, other receivables and other assets	25,865
Inventories	65,335
Deferred income	(8,278)
Interest-bearing bank and other borrowings	(108,450)
Trade and notes payables	(21,831)
Due to related parties	(11,583)
Accrued liabilities and other payables	(102,820)
Contract liabilities	(5,074)
Deferred tax liabilities	(16,687)
Non-controlling interests	(15,527)
	370,327
Right-of-use assets recognised in sales and leaseback	153,459
Net gain on disposal of subsidiaries (note 3)	464,257
	988,043

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 2022 RMB'000 (Unaudited)
Satisfied by:	
Cash	988,043
Cash consideration	988,043
Cash and bank balances disposed of	(43,515)
Cash consideration received in advance for disposal of subsidiaries	(63,750)
Receipt of unreceived cash consideration for disposal as at 31 December 2021	329,222
Cash consideration unreceived as at 30 June 2022	(29,672)
Net inflow of cash and cash equivalents included in cash flows from investing activities	1,180,328

14. COMMITMENTS

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	4,412,322	4,599,643
Properties under development	2,277,241	2,263,053
Investments	5,107,049	4,018,313
Oil and gas assets	179,194	177,244
	11,975,806	11,058,253

15. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Principal amount of the guaranteed bank loans of:		
Related parties	1,008,705	609,136
Third parties	–	485,838
Qualified buyers' mortgage loans	6,377,658	6,904,803
	7,386,363	7,999,777

15. CONTINGENT LIABILITIES *(Continued)*

- (1) As at 30 June 2022, the Group provided guarantees of approximately RMB6,377,658,000 (31 December 2021: RMB6,904,803,000) 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	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Associates, joint ventures and other related parties:		
Sales of pharmaceutical products	2,581,112	2,161,217
Purchases of pharmaceutical products	188,884	245,087
Sales of other products	28,237	43,081
Purchases of other products	58,823	75,433
Rental income	5,808	10,092
Rental expense	780	2,169
Service income	133,746	130,132
Interest income	158,078	239,895
Interest expense	16,642	12,440
Service expense	28,220	8,157
Increase of right-of-use assets	–	164,559
Deposits from related companies	6,219,282	5,500,633
Bank loan guarantees provided	1,008,705	15,540
Loans to related parties	1,202,556	4,112,535
Bank loan guarantees received	402,684	–

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.

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

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Short-term employee benefits	37,710	26,899
Equity-settled share award scheme expense	21,187	16,270
Equity-settled share option scheme expense	11,556	13,067
Pension scheme contributions	231	245
	70,684	56,481

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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Financial assets				
Equity investments designated at fair value through other comprehensive income	420,180	535,491	420,180	535,491
Debt investments at fair value through other comprehensive income	74,277,473	80,908,414	74,277,473	80,908,414
Debt investments at amortised cost	25,038,916	25,984,474	25,128,647	26,118,133
Financial assets at fair value through profit or loss	65,941,742	70,128,187	65,941,742	70,128,187
Loans and advances to customers (non-current portion)	1,168,900	1,324,555	1,153,831	1,358,331
Financial assets included in policyholder account assets in respect of unit-linked contracts	18,376,397	11,410,885	18,376,397	11,410,885
Derivative financial instruments	3,418,211	3,057,582	3,418,211	3,057,582
Associates measured at fair value through profit or loss	12,286,766	12,046,990	12,286,766	12,046,990
	200,928,585	205,396,578	201,003,247	205,564,013
Financial liabilities				
Interest-bearing bank and other borrowings (non-current portion)	137,426,023	131,892,195	130,973,092	135,654,137
Financial liabilities at fair value through profit or loss	4,732,911	4,078,714	4,732,911	4,078,714
Financial liabilities included in other long term payables	5,633,856	4,444,730	5,633,856	4,444,730
Deposits from customers (non-current portion)	36,759	108,641	36,759	118,841
Due to banks and other financial institutions (non-current portion)	2,751,848	2,834,815	2,751,848	2,833,908
Financial liabilities for unit-linked contracts	18,376,397	11,410,885	18,376,397	11,410,885
Due to the holding company (non-current portion)	2,696,513	2,770,224	2,615,181	2,684,051
Derivative financial instruments	4,026,524	5,740,791	4,026,524	5,740,791
	175,680,831	163,280,995	169,146,568	166,966,057

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 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, due to holding company 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 the non-current portion of amounts due to holding company, financial liabilities included in other long term payables, the non-current portion of interest-bearing bank and other borrowings as at 30 June 2022 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 2022, 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.

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. 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 2022:

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 value 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 long term payables is the progress of research and development activities or net profit of the subsidiaries.

Significant unobservable valuation input for other financial liabilities included in other long-term liabilities is fair value of net assets of subsidiaries.

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 2022 (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	313,762	30,369	76,049	420,180
Debt investments at fair value through other comprehensive income	67,420,945	5,525,044	1,331,484	74,277,473
Financial assets at fair value through profit or loss	22,726,910	20,739,917	22,474,915	65,941,742
Derivative financial instruments	205,494	3,156,587	56,130	3,418,211
Financial assets included in policyholder account assets in respect of unit-linked contracts	16,254,413	94,135	2,027,849	18,376,397
Associates measured at fair value through profit or loss	279,674	9,329,745	2,677,347	12,286,766
	107,201,198	38,875,797	28,643,774	174,720,769

As at 31 December 2021 (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	426,832	34,302	74,357	535,491
Debt investments at fair value through other comprehensive income	73,473,182	5,927,447	1,507,785	80,908,414
Financial assets at fair value through profit or loss	30,699,967	19,298,886	20,129,334	70,128,187
Derivative financial instruments	123,862	2,893,968	39,752	3,057,582
Financial assets included in policyholder account assets in respect of unit-linked contracts	10,262,434	91,147	1,057,304	11,410,885
Associates measured at fair value through profit or loss	518,229	9,095,435	2,433,326	12,046,990
	115,504,506	37,341,185	25,241,858	178,087,549

During the Period, the financial assets with a value of RMB78,203,000 in Level 2 as at 31 December 2021 were transferred out to Level 1 due to the end of the lock-up period for these equity investments in 2022 (Six months ended 30 June 2021: RMB305,429,000).

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 2021	74,357	1,507,785	20,129,334	1,057,304	39,752	2,433,326	25,241,858
Total (losses)/gains recognised in the consolidated statement of profit or loss included in other gains	-	9,312	729,458	(37,861)	35	209,021	909,965
Total gains/(losses) recognised in other comprehensive income	199	(172,606)	(96,518)	-	-	-	(268,925)
Addition	160	45,959	2,237,518	1,068,056	28,709	-	3,380,402
Disposals	-	(199,107)	(1,225,178)	(18,347)	(11,237)	-	(1,453,869)
Exchange realignment	1,333	140,141	(27,369)	(41,303)	(1,129)	-	71,673
Transfers*	-	-	727,670	-	-	35,000	762,670
As at 30 June 2022	76,049	1,331,484	22,474,915	2,027,849	56,130	2,677,347	28,643,774

* During the Period, the financial assets with a fair value of RMB1,001,511,000 in Level 3 as at 31 December 2021 were transferred out, and a fair value of RMB1,764,182,000 in Level 2 as at 31 December 2021 were transferred in. The transfer was based on the significant input used in the fair value measurement as a whole.

	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.

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 2022 (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)	–	–	1,153,831	1,153,831
Debt investments at amortised cost	18,425,690	6,238,286	464,671	25,128,647
	18,425,690	6,238,286	1,618,502	26,282,478

As at 31 December 2021 (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)	–	–	1,358,331	1,358,331
Debt investments at amortised cost	21,231,828	4,573,873	312,432	26,118,133
	21,231,828	4,573,873	1,670,763	27,476,464

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)**Fair value hierarchy** (Continued)**Liabilities measured at fair value:**

As at 30 June 2022 (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	16,254,413	94,135	2,027,849	18,376,397
Financial liabilities included in other long term payables	–	–	2,472,808	2,472,808
Financial liabilities at fair value through profit or loss	4,732,911	–	–	4,732,911
Derivative financial instruments	412,276	2,641,059	973,189	4,026,524
	21,399,600	2,735,194	5,473,846	29,608,640

As at 31 December 2021 (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	10,262,434	91,147	1,057,304	11,410,885
Financial liabilities included in other long term payables	–	–	1,729,069	1,729,069
Financial liabilities at fair value through profit or loss	4,078,714	–	–	4,078,714
Derivative financial instruments	676,128	4,145,182	919,481	5,740,791
	15,017,276	4,236,329	3,705,854	22,959,459

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 2022 (unaudited)

	Financial liabilities included in other long term payables RMB'000	Financial liabilities for unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Total RMB'000
At 1 January	1,729,069	1,057,304	919,481	3,705,854
Total gains recognised in the consolidated statement of profit or loss included in other income	(14,287)	(37,861)	–	(52,148)
Total gains recognised in other reserve	26,360	–	–	26,360
Addition	731,666	1,068,056	–	1,799,722
Decrease	–	(18,347)	(9,833)	(28,180)
Exchange realignment	–	(41,303)	63,541	22,238
At 30 June	2,472,808	2,027,849	973,189	5,473,846

The movements in fair value measurements in Level 3 during the last 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

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 2022 (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)	34,257,551	96,715,541	–	130,973,092
Deposits from customers (non-current portion)	–	–	36,759	36,759
Due to banks and other financial institutions (non-current portion)	–	–	2,751,848	2,751,848
Due to the holding company (non-current portion)	–	–	2,615,181	2,615,181
Financial liabilities included in other long term payables	–	2,667,661	493,387	3,161,048
	34,257,551	99,383,202	5,897,175	139,537,928

As at 31 December 2021 (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)	52,205,622	83,448,515	–	135,654,137
Deposits from customers (non-current portion)	–	–	118,841	118,841
Due to related companies and holding companies (non-current portion)	–	–	2,684,051	2,684,051
Due to banks and other financial institutions (non-current portion)	–	–	2,833,908	2,833,908
Financial liabilities included in other long term payables	–	2,207,393	508,268	2,715,661
	52,205,622	85,655,908	6,145,068	144,006,598

18. EVENT AFTER THE REPORTING PERIOD

In July 2022, Fosun Pharma, a subsidiary of the Group, issued 106,756,666 A-shares to 10 specific targets in a non-public offering at an issue price of RMB42 per share, and the total amount of funds raised is RMB4,483,779,972. The share registration procedures for the newly issued A-shares were completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 27 July 2022. The newly issued A-shares are tradable shares with restricted sales conditions. The shares subscribed by the issuers shall not be transferred within 6 months from the date of the end of the issuance day. After the completion of the non-public offering, the equity interests of the Group in Fosun Pharma has been diluted from approximately 39.6% to approximately 38.0%.

19. COMPARATIVE AMOUNTS

As stated in note 1.3, the comparative amounts have been restated to reflect the prior period adjustments relating to the business combination under common control.

STATUTORY DISCLOSURES

INTERIM DIVIDEND

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

SHARE AWARD SCHEME

2015 Share Award Scheme

The share award scheme was adopted by the Company on 25 March 2015 (the “**2015 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 2022.

The purposes of the 2015 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 24 March 2022, the Board resolved to award an aggregate of 30,979,000 award shares (the “**2022 Award Shares**”) to 143 Selected Participants under the Share Award Scheme. The 2022 Award Shares had been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 2 June 2022. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the 2022 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, the 2022 Award Shares have been fully issued to the Trustee.

STATUTORY DISCLOSURES

Details of the movement of the Award Shares under the 2015 Share Award Scheme 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	Number of granted Shares	Outstanding as of 1 January 2022	Vested during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Outstanding as of 30 June 2022
Guo Guangchang	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	738,000	-	-	-	738,000
Wang Qunbin	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	704,000	-	-	-	704,000
Chen Qiyu	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	646,000	3,214,100	1,363,300	-	4,956,800
		24 March 2022 to 23 March 2025 ^{(1)a}	2,460,000				
Xu Xiaoliang	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	244,000	3,214,100	1,363,300	-	4,554,800
		24 March 2022 to 23 March 2025 ^{(1)a}	2,460,000				
Qin Xuetao	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	88,000	1,023,050	440,350	-	2,030,700
		24 March 2022 to 23 March 2025 ^{(1)a}	1,360,000				
Gong Ping	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	88,000	734,150	325,750	-	1,456,400
		24 March 2022 to 23 March 2025 ^{(1)a}	960,000				
Huang Zhen	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	800,000	-	-	-	800,000
Zhuang Yuemin	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	25,000	8,250	-	41,750
Yu Qingfei	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	25,000	8,250	-	41,750
Zhang Shengman	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	50,250	25,000	-	50,250
Zhang Huaqiao	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	50,250	25,000	-	50,250
David T. Zhang	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	50,250	25,000	-	50,250
Lee Kai-Fu	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	50,250	25,000	-	50,250
Tsang King Suen Katherine	24 March 2022	24 March 2022 to 23 March 2025 ^{(1)a}	25,000	25,000	8,250	-	41,750
Sub-total			10,723,000	8,461,400	3,617,450	-	15,566,950
Employees	24 March 2022	24 March 2022 to 23 March 2023 ^{(1)b}	2,776,000	11,751,130	4,890,230	134,300	26,982,600
		24 March 2022 to 23 March 2025 ^{(1)a}	17,480,000				
Total			30,979,000	20,212,530	8,507,680	134,300	42,549,550

Note:

1. (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, 25,695,000 Award Shares which were granted on 24 March 2022 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	Vesting Period
33%	24 March 2023	24 March 2022 to 23 March 2023
33%	24 March 2024	24 March 2022 to 23 March 2024
34%	24 March 2025	24 March 2022 to 23 March 2025

- (b) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, 5,284,000 Award Shares which were granted on 24 March 2022 shall be transferred from the Trustee to the Selected Participants upon expiry of the following vesting period:

Percentage of Award Shares to be vested	Vesting Date	Vesting Period
100%	24 March 2023	24 March 2022 to 23 March 2023

STATUTORY DISCLOSURES

2021 Share Award Scheme

The share award scheme was adopted by the Company on 30 August 2021 (the “**2021 Share Award Scheme**”).

The 2021 Share Award Scheme is intended to encourage the employees of the Group to contribute and promote the long-term growth of FTG and the Group. The eligible participants to the 2021 Share Award Scheme (the “**Participants**”) are any core personnel in the Group which contribute to the development and ecological empowerment of FTG. Pursuant to the 2021 Share Award Scheme, the Company transfers certain shares of FTG held by it to the Trustee, in order to grant award shares to the Participants and the Participants could accept the award shares by paying a grant price at a 50% discount of as at the closing price of the shares of FTG as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of grant. The award shares under the 2021 Share Award Scheme will then be held by the Trustee on trust for the relevant Participants until such award shares are vested to the relevant Participants in accordance with the provisions of the 2021 Share Award Scheme.

During the Reporting Period, no award shares were granted by the Company under the 2021 Share Award Scheme. Details of the movement of the award shares under the 2021 Share Award Scheme were as follows:

Changed during the Reporting Period				
Name of grantee	Outstanding as of 1 January 2022	Vested during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Outstanding as of 30 June 2022
Chen Qiyu	500,000	–	–	500,000
Qin Xuetao	200,000	–	–	200,000
Gong Ping	200,000	–	–	200,000
Sub-total	900,000	–	–	900,000
Employees	2,466,000	–	–	2,466,000
Total	3,366,000	–	–	3,366,000

Note:

- Subject to the satisfaction of the vesting criteria and conditions of the 2021 Share Award Scheme, the above mentioned award shares shall be transferred from the Trustee to the Participants upon expiry of the following vesting periods:

Percentage of award shares to be vested	Vesting date	Vesting period
50%	30 August 2022	30 August 2021 to 29 August 2022
50%	30 August 2023	30 August 2021 to 29 August 2023

STATUTORY DISCLOSURES

SHARE OPTION SCHEMES

Share Option Schemes of the Company

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 24 March 2022, subject to the acceptance of relevant grantees, the Company has decided to grant 59,300,000 share options to subscribe for an aggregate of 59,300,000 Shares under the New Share Option Scheme. The closing price of the Shares, immediately before the grant date was HKD8.85 per share. As at the end of the Reporting Period, the Company has granted accumulated 426,441,000 options to subscribe for an aggregate of 426,441,000 Shares under the Old Share Option Scheme and the New Share Option Scheme, of which 279,959,000 effective options 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 HKD80,997,050. 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	Number of the options					As of 30 June 2022	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
		As of 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/cancelled during the Reporting Period ⁽⁷⁾	As of 30 June 2022				
Chen Qiyu	8 January 2016	9,000,000	–	–	1,500,000	7,500,000	8 January 2016 to 7 January 2023 ⁽¹⁾	8 January 2021 to 7 January 2026 ⁽¹⁾	11.53	
	4 May 2017	1,500,000	–	–	150,000	1,350,000	4 May 2017 to 3 May 2024 ⁽¹⁾	4 May 2022 to 3 May 2027 ⁽¹⁾	11.75	
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2020 to 31 March 2025 ⁽⁶⁾	1 April 2023 to 31 March 2030 ⁽⁶⁾	8.79	
	31 March 2021	1,500,000	–	–	–	1,500,000	31 March 2021 to 30 March 2026 ⁽⁶⁾	31 March 2024 to 30 March 2031 ⁽⁶⁾	10.91	
	24 March 2022	–	2,000,000	–	–	2,000,000	24 March 2022 to 23 March 2027 ⁽⁶⁾	24 March 2025 to 23 March 2032 ⁽⁶⁾	8.71	
Xu Xiaoliang	8 January 2016	9,000,000	–	–	1,500,000	7,500,000	8 January 2016 to 7 January 2023 ⁽¹⁾	8 January 2021 to 7 January 2026 ⁽¹⁾	11.53	
	4 May 2017	1,500,000	–	–	150,000	1,350,000	4 May 2017 to 3 May 2024 ⁽¹⁾	4 May 2022 to 3 May 2027 ⁽¹⁾	11.75	
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2020 to 31 March 2025 ⁽⁶⁾	1 April 2023 to 31 March 2030 ⁽⁶⁾	8.79	
	31 March 2021	1,500,000	–	–	–	1,500,000	31 March 2021 to 30 March 2026 ⁽⁶⁾	31 March 2024 to 30 March 2031 ⁽⁶⁾	10.91	
	24 March 2022	–	2,000,000	–	–	2,000,000	24 March 2022 to 23 March 2027 ⁽⁶⁾	24 March 2025 to 23 March 2032 ⁽⁶⁾	8.71	

STATUTORY DISCLOSURES

Name of grantee	Date of grant of the options	Number of the options					As of 30 June 2022	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
		As of 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/ lapsed/ cancelled during the Reporting Period ⁽⁷⁾	As of 30 June 2022				
Qin Xuetang	8 January 2016	9,000,000	-	-	1,500,000	7,500,000	8 January 2016 to 7 January 2023 ⁽¹⁾	8 January 2021 to 7 January 2026 ⁽¹⁾	11.53	
	31 March 2021	1,000,000	-	-	-	1,000,000	31 March 2021 to 30 March 2026 ⁽⁶⁾	31 March 2024 to 30 March 2031 ⁽⁶⁾	10.91	
	24 March 2022	-	1,200,000	-	-	1,200,000	24 March 2022 to 23 March 2027 ⁽⁶⁾	24 March 2025 to 23 March 2032 ⁽⁶⁾	8.71	
Gong Ping	8 January 2016	3,600,000	-	-	600,000	3,000,000	8 January 2016 to 7 January 2023 ⁽¹⁾	8 January 2021 to 7 January 2026 ⁽¹⁾	11.53	
	4 May 2017	4,900,000	-	-	490,000	4,410,000	4 May 2017 to 3 May 2024 ⁽¹⁾	4 May 2022 to 3 May 2027 ⁽¹⁾	11.75	
	31 March 2021	1,000,000	-	-	-	1,000,000	31 March 2021 to 30 March 2026 ⁽⁶⁾	31 March 2024 to 30 March 2031 ⁽⁶⁾	10.91	
	24 March 2022	-	1,200,000	-	-	1,200,000	24 March 2022 to 23 March 2027 ⁽⁶⁾	24 March 2025 to 23 March 2032 ⁽⁶⁾	8.71	
Huang Zhen	24 March 2022	-	600,000	-	-	600,000	24 March 2022 to 23 March 2027 ⁽⁶⁾	24 March 2025 to 23 March 2032 ⁽⁶⁾	8.71	
Other grantees (being other employees of the Group)	8 January 2016	36,700,000	-	-	6,000,000	30,700,000	8 January 2016 to 7 January 2023 ⁽¹⁾	8 January 2021 to 7 January 2026 ⁽¹⁾	11.53	
	4 May 2017	30,200,000	-	-	3,330,000	26,870,000	4 May 2017 to 3 May 2024 ⁽¹⁾	4 May 2022 to 3 May 2027 ⁽¹⁾	11.75	
	28 March 2018	12,242,600	-	-	68,600	12,174,000	28 March 2018 to 27 March 2025 ^{(2),(3)}	28 March 2019 to 27 March 2028 ^{(2),(3)}	17.58	
	27 March 2019	66,605,000	-	-	3,185,000	63,420,000	27 March 2019 to 26 March 2026 ^{(2),(4)}	27 March 2020 to 26 March 2029 ^{(2),(4)}	12.86	
	28 August 2019	1,450,000	-	-	1,000,000	450,000	28 August 2019 to 27 August 2023 ⁽⁵⁾	28 August 2020 to 27 August 2029 ⁽⁵⁾	9.95	
	1 April 2020	14,707,500	-	-	900,000	13,807,500	1 April 2020 to 31 March 2025 ^{(4),(6)}	1 April 2021 to 31 March 2030 ^{(4),(6)}	8.79	
	28 August 2020	90,000	-	-	-	90,000	28 August 2020 to 27 August 2024 ⁽⁴⁾	28 August 2021 to 27 August 2030 ⁽⁴⁾	8.86	
	31 March 2021	33,600,000	-	-	1,532,500	32,067,500	31 March 2021 to 30 March 2026 ^{(4),(6)}	31 March 2022 to 30 March 2031 ^{(4),(6)}	10.91	
	25 August 2021	780,000	-	-	-	780,000	25 August 2021 to 24 August 2025 ⁽⁴⁾	25 August 2022 to 24 August 2031 ⁽⁴⁾	9.90	
	24 March 2022	-	52,300,000	-	310,000	51,990,000	24 March 2022 to 23 March 2027 ^{(4),(6)}	24 March 2023 to 23 March 2032 ^{(4),(6)}	8.71	
Total		242,875,100	59,300,000	-	22,216,100	279,959,000				

STATUTORY DISCLOSURES

Notes:

1. The options under the Old Share Option Scheme are vested and become exercisable by each grantee 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 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");
 - (b) 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
 - (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 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.
2. The options, being granted to the global core management staff under the New Share Option Scheme are vested and become 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 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");
 - (b) 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
 - (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 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.
3. The options, being granted to the employees of the Group under the New Share Option Scheme are vested and become 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 employees of the Group under the New Share Option Scheme are vested and become 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 under the New Share Option Scheme are vested and become exercisable in either one of the exercising schedules as set out 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.

STATUTORY DISCLOSURES

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 vested and become 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. 22,216,100 share options were lapsed and expired during the Reporting Period and the Group did not cancel any share options during the Reporting Period.
8. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

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.

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. Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in such 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 to be granted under the FTG Pre-IPO Share Option Scheme (the "**Pre-IPO Option(s)**") 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 at the end of the Reporting Period, the number of underlying shares pursuant to the outstanding Pre-IPO Options (excluding those lapsed/cancelled/expired) amounts to 30,844,394 shares, representing approximately 2.49% of the issued shares of FTG at the end of the Reporting Period.
- 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 of FTG in issue as of the proposed date of grant; unless any further grant of the 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).

STATUTORY DISCLOSURES

- 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 the 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 the 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 30,738,997 and 13,816,520 Pre-IPO Options respectively granted on 23 February 2018 and 19 November 2018 under the FTG Pre-IPO Share Option Scheme are HK\$8.43 per share and the offer price of the global offering of HK\$15.60 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.
- 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.

STATUTORY DISCLOSURES

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

Type of grantees/ Name of grantees	Date of grant of the Pre-IPO Options	As of 1 January 2022	Number of Pre-IPO Options			As of 30 June 2022	Vesting period of the Pre-IPO Options	Exercise 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 ⁽⁵⁾				
Qian Jiannong	23 February 2018	20,000,000	-	-	-	20,000,000	23 February 2018 to 21 February 2026 ⁽¹⁾	22 February 2019 to 22 February 2028	8.43
Xu Bingbin	23 February 2018	775,125	-	-	-	775,125	23 February 2018 to 27 December 2021 ⁽²⁾	28 December 2018 to 22 February 2028	8.43
	19 November 2018	742,500	-	-	-	742,500	19 November 2018 to 17 November 2022 ⁽³⁾	18 November 2019 to 18 November 2028	15.60
Other grantees (being other employees of the FTG Group)	23 February 2018	4,276,037	-	681,148	-	3,594,889	23 February 2018 to 27 December 2021 ⁽²⁾	28 December 2018 to 22 February 2028	8.43
	19 November 2018	6,448,780	-	-	716,900	5,731,880	19 November 2018 to 17 November 2022 ⁽³⁾	18 November 2019 to 18 November 2028	15.60
Total		32,242,442	-	681,148	716,900	30,844,394			

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 and other grantees 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

STATUTORY DISCLOSURES

3. The Pre-IPO Options, being granted to Mr. Xu Bingbin and other grantees 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. The weighted average closing price of the shares of FTG immediately before the dates on which options were exercised during the Reporting Period was HKD11.55.
5. During the Reporting Period, no Pre-IPO Option was cancelled/expired.
6. Except for the vesting period, there is no minimum holding period before the exercise of the Pre-IPO Options.
7. No share option was granted to the suppliers of goods or services under the FTG Pre-IPO Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.

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.

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, where applicable) and employees of any member of 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 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 at the end of the Reporting Period, the number of underlying shares pursuant to the outstanding Post-IPO Options (excluding those lapsed/cancelled/expired) amounted to 14,488,500 shares of FTG, representing approximately 1.17% of the issued shares of FTG as at the end of the Reporting Period.

STATUTORY DISCLOSURES

- 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 ten (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 of FTG 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 of FTG. 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.
- 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 in accordance with the 2019 Share Option Scheme 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 of the 2019 Share Option Scheme 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.

STATUTORY DISCLOSURES

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

Type of grantees/ Name of grantees	Date of grant of the Post-IPO Options	As of 1 January 2022	Number of the Post-IPO Options		Value of the Post-IPO Options granted (RMB)	Exercised during the Reporting Period ⁽⁴⁾	Expired/ lapsed/ cancelled during the Reporting Period ⁽⁵⁾	As of 30 June 2022	Vesting period of the Post-IPO Option	Exercise price of the Pre-IPO Options	Exercise price of the Post-IPO Options per Share (HKD)
			Granted during the Reporting Period	Closing price of the securities immediately before the date on which the Post-IPO Options were granted (HKD)							
Qian Jiannong	28 August 2020	500,000	-	8.25	-	-	-	500,000	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	500,000	-	9.71	-	-	-	500,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	500,000	10.70	1,448,900	-	-	500,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Xu Bingbin	28 August 2020	200,000	-	8.25	-	-	-	200,000	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	320,000	-	9.71	-	-	-	320,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	260,000	10.70	753,400	-	-	260,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Choi Yin On	20 August 2021	300,000	-	9.71	-	-	-	300,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	210,000	10.70	608,500	-	-	210,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Xu Xiaoliang	20 August 2021	150,000	-	9.71	-	-	-	150,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	180,000	10.70	521,600	-	-	180,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Pan Donghui	20 August 2021	70,000	-	9.71	-	-	-	70,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	70,000	10.70	202,800	-	-	70,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Other grantees (being other employees of FTG Group)	28 August 2020	2,936,500	-	8.25	-	47,500	442,500	2,446,500	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	4,813,000	-	9.71	-	-	465,000	4,348,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	-	4,434,000	10.70	12,848,800	-	-	4,434,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Total		9,789,500	5,654,000			47,500	907,500	14,488,500			

STATUTORY DISCLOSURES

Notes:

1. 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

2. The Post-IPO Options, being granted to such grantee(s) on 20 August 2021 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	1 July 2022
25%	1 July 2023
25%	1 July 2024
25%	1 July 2025

3. The Post-IPO Options, being granted to such grantee(s) on 28 April 2022 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	28 April 2023
25%	28 April 2024
25%	28 April 2025
25%	28 April 2026

4. The weighted average closing price of the shares of FTG immediately before the dates on which shares options were exercised during the Reporting Period was HKD10.82.
5. During the Reporting Period, no Post-IPO Option was cancelled/expired.
6. For details of the cancellation of certain options and share units granted on 25 August 2020, please see the FTG's announcement dated 28 August 2020.
7. On 20 August 2021, the board of FTG granted 6,233,000 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 the FTG's announcement dated 20 August 2021.
8. On 28 April 2022, the Board of FTG granted 5,654,000 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 the FTG's announcement dated 28 April 2022.
9. The aggregate fair value of the share options granted during the Reporting Period amounted to approximately RMB16,384,000. The value of post-IPO Options granted was estimated based on the fair value of the options at the date of grant according to the terms and conditions to grant the share options by using the binomial tree model and the factors such as risk-free interest rate, share price, volatility, expected life of options and dividend were also considered. The fair value of options are subject to a number of assumptions and limitations that may be subjective and uncertain.
10. Except for the vesting period, there is no minimum holding period before exercise of the post-IPO Option.
11. No share option was granted to the suppliers of goods or services of FTG under the FTG 2019 Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.

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, unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in this 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 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.

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	As of 1 January 2022	Number of the options			As of 30 June 2022	Vesting period of the options ⁽¹⁾	Exercise period of the options ⁽¹⁾	Exercise price of the options per share (RMB)
			Granted during the Reporting Period	Exercised during the Reporting Period	Expired/ lapsed/ cancelled during the Reporting Period				
Huang Zhen	29 November 2018	880,000	-	-	-	880,000	29 November 2018 to 28 November 2023	29 November 2021 to 28 November 2024	7.21
Other employees of Yuyuan	29 November 2018	2,720,000	-	-	-	2,720,000	29 November 2018 to 28 November 2023	29 November 2021 to 28 November 2024	7.21
Total		3,600,000	-	-	-	3,600,000			

Notes:

- Subject to fulfilment of the conditions for exercising the options, and after a minimum holding period of 36 months from the Date of Grant, Grantees may exercise their options in three tranches as follows

Tranche	Vesting period	Exercise period	Percentage of the options
First tranche	The expiry of 36 months from the Date of Grant	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	The expiry of 48 months from the Date of Grant	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	The expiry of 60 months from the Date of Grant	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%

- Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

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, unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in this 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 the wholly-owned subsidiaries of Yuyuan. The total number of new Yuyuan shares which may be issued upon exercise of all 5,400,000 options 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.

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 2022	Vesting period of the options ⁽¹⁾	Exercise period of the options ⁽¹⁾	Exercise price of the options per share (RMB)
		As of 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/ lapsed/ cancelled during the Reporting Period ⁽²⁾	As of 30 June 2022				
Employees of Yuyuan's wholly-owned subsidiaries	13 June 2019	5,400,000	-	-	1,080,000	4,320,000	13 June 2019 to 12 June 2024	13 June 2022 to 12 June 2025	9.09	
Total		5,400,000	-	-	1,080,000	4,320,000				

Notes:

- Subject to fulfilment of the conditions for exercising the options, and after a minimum holding period of 36 months from the Date of Grant, Grantees may exercise their Options in three tranches as follows:

Tranche	Vesting period	Exercise period	Percentage of options exercisable
First tranche	The expiry of 36 months from the Date of Grant	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	The expiry of 48 months from the Date of Grant	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	The expiry of 60 months from the Date of Grant	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%

- During the Reporting Period, 1,080,000 options were cancelled and no option was lapsed and expired. The exercise price of the options cancelled is RMB9.09.
- Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

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, unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in this 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. The total number of new Yuyuan shares which may be issued upon exercise of all 3,650,000 options granted under the Yuyuan Tranche I Employee Share Option Incentive Scheme is 3,650,000 shares, representing approximately 0.094% 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 Employee Share Option Incentive Scheme does not exceed 1% of total share capital of Yuyuan.

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 2022	Vesting period of the options ⁽¹⁾	Exercise period of the options ⁽¹⁾	Exercise price of the options per share (RMB)
		As of 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/cancelled during the Reporting Period	As of 30 June 2022				
Employees of Yuyuan and its subsidiaries	31 October 2019	906,780	-	-	-	906,780	31 October 2019 to 30 October 2022	31 October 2020 to 30 October 2023	8.62	
Total		906,780	-	-	-	906,780				

Notes:

- Subject to fulfilment of the conditions for exercising the options, and after a minimum holding period of 12 months from the Date of Grant, Grantees may exercise their options in three tranches as follows:

Tranche	Vesting period	Exercise period	Percentage of option exercisable
First tranche	The expiry of 12 months from the Date of Grant	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	The expiry of 24 months from the Date of Grant	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	The expiry of 36 months from the Date of Grant	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%

- Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

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 approved the adoption of the Gland Pharma share option incentive scheme at the annual general meeting of the Company 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, after Gland Pharma’s share subdivision on 17 March 2020, 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 1,704,440 Gland Pharma shares, representing approximately 1% of the total number of issued Gland Pharma shares as at the end of the Reporting Period. 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 be 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 period (dd-mm- yyyy) ⁽¹⁾	Option share ⁽¹⁾	Exercise period (dd-mm-yyyy) ⁽¹⁾	Outstanding options as of 1 January 2022	Exercise price per share	Granted during the Reporting Period	Exercised during the Reporting Period ⁽²⁾	Forfeited, cancelled or lapsed during the Reporting Period	Outstanding options as of 30 June 2022
Employees of Gland Pharma	27-6-2019.	27-6-2019 to 19-11-2020	40%	20-11-2020 to 26-6-2029						
		27-6-2019 to 30-3-2021	30%	31-3-2021 to 26-6-2029	455,500	INR542	-	353,200	-	102,300
		27-6-2019 to 30-3-2022	30%	31-3-2022 to 26-6-2029						

Notes:

- 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.
- The weighted average closing price of the Gland Pharma shares immediately before the dates on which options were exercised during the Reporting Period was INR3,219.12 per share.
- Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

STATUTORY DISCLOSURES

LOVELINK SHARE OPTION SCHEME

The Shareholders conditionally approved the adoption of the share option incentive scheme of Lovelink Inc. ("**Lovelink**") at the annual general meeting of the Company held on 2 June 2022 (the "**Lovelink Share Option Scheme**"). The relevant details of the Lovelink Share Option Scheme under the following paragraphs were set out in the circular of the Company dated 27 April 2022 in relation to the proposed adoption of the Lovelink Share Option Scheme (the "**Lovelink Share Option Scheme Circular**"), unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the Lovelink Share Option Scheme Circular.

The purpose of the Lovelink Share Option Scheme is to provide the Participants with the opportunity to acquire equity interests in Lovelink. It aims to attract, motivate and retain core members who make significant impact and contribution to development of the Lovelink Group. It targets to stimulate the proactivity, sense of responsibility, mission and entrepreneurial spirit of the management team and core members of the Lovelink Group so that the Lovelink Group can establish successful business model and achieve profit and listing of the Lovelink shares on recognized stock exchange as soon as possible.

As disclosed in the Lovelink Share Option Scheme Circular, the adoption of the Lovelink Share Option Scheme is conditional upon, among others, the completion of the corporate restructuring of the Lovelink Group. As at the end of the Reporting Period, the Lovelink Share Option Scheme has not been adopted as the corporate restructuring of the Lovelink Group was not completed.

FOSUN HEALTH SHARE OPTION SCHEME

The Shareholders approved the adoption of the share option incentive scheme of Fosun Health at the annual general meeting of the Company held on 2 June 2022 (the "**Fosun Health Share Option Scheme**"). The purpose of the Fosun Health Share Option Scheme is to effectively attract and retain core talent with significant influence on and contribution to the business growth Fosun Health Group (Fosun Health and its subsidiaries), establish a mechanism designed to align interests between its shareholders and operators, stimulate employees' passion for entrepreneurship and support the Fosun Health Group's long-term development.

The total share capital that corresponds to the aggregate number of option shares in respect of the options to be granted under the Fosun Health Share Option Scheme shall not exceed RMB380,435,000 of the registered capital of Fosun Health, nor shall it exceed 10% of the total registered capital of Fosun Health as at the date on which the Fosun Health Share Option Scheme was approved at the shareholders' meeting of Fosun Health. The exercise price for the inaugural option grants under the Fosun Health Share Option Scheme will be RMB1.0 per option share. For grant(s) after the inaugural option grant, the exercise price of options granted will be the higher of 50% of the fair value per share (i.e. per RMB1 registered capital) of Fosun Health (if any) at the time when the option grant is approved by the board of directors of Fosun Health and the net asset value per share (i.e. per RMB1 registered capital) of Fosun Health at the time of the option grant, and such exercise price shall not be less than the exercise price of options granted in the inaugural option grant. The Fosun Health Share Option Scheme shall be effective for a period of 10 years from the date on which such scheme was adopted by the shareholders' meeting of Fosun Health.

During the Reporting Period (i) no options of Fosun Health were granted and (ii) there were no outstanding options under the Fosun Health Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of the Listing Rules.

STATUTORY DISCLOSURES

HUMAN RESOURCES

As of 30 June 2022, the Group had approximately 106,000 employees.

In the first half of 2022, 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 2022, Fosun deepens the "twin-driver" organizational design of global industry operations and industrial investment, implementing the global regional management framework. We continue to sort out the value of all levels of the organization, optimize the performance of divisions, and further strengthen the authorization for the customer-oriented front-line organizations. Through systematic talent review, we adjust the talent structure, maintain the elitism of our talent echelon, and continue to improve the efficiency of talents. 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

In 2022, Fosun further deepens the partner management system, sets up a top-of-the-top ecological battle for global partner leaders, strengthens cross-industry and cross-regional financing resources. We fully develop the ecological co-operative value of global partners, and provide more high-quality products and services for Fosun family customers. At the same time, we upgraded the incentive mechanism as well as the welfare of our global partners and carried out short-, medium- and long-term value sharing around incremental value creation. We have also taken Fosun's ecological advantages to design warm partner family welfare products such as healthcare, insurance, and travel plans.

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 our employees. Upholding the value of "Self-improvement, Teamwork, Performance and Contribution to Society", Fosun cares not only for its employees, but also for their families.

Fosun continues to strengthen the promotion and investment of employees' health management, innovating our health management model to protect employees' wellbeing. Fosun has established different caring plans for various employee groups. For all employees, Fosun also pays attention to employee suggestions at all times, launching an internal online platform 'Fosun Circle' for Fosun employees, with the aim to continuously upgrade employee experience based on the practical suggestions from each Fosun employee. For employees' families, Fosun has built a happy ecosystem to allow them to participate in various charitable activities of the Company. Meanwhile, Fosun also makes full use of the Group's internal resources for our employees to conveniently access various internal products, services and related resources at a discount.

We use the internet and various innovative channels to enrich employee services. We have further optimized and innovated the methods of benefit distribution and marketing, such as announcing or introducing employee benefits, as well as various remuneration benefits and human resources policies through our own mobile application. Employees can not only check their benefits through our self-developed mobile application platform, but also use employee points to pay for meals or access other convenient services online. Meanwhile, our Human Resource Global Shared Service Center continuously consolidates various resources both domestically and overseas, in order to provide better service to our employees around 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 development 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, CHO 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.

At the same time, in 2022, Fosun further promotes the cultivation and development of global talents. We designed and launched the Fosun Global Leadership Program for Fosun's overseas-related business executives training and the Fosun Global HR Leadership Program for overseas-related business HR training. By such program, we managed to promote the integration and ecological empowerment of entrepreneurs in Fosun's global industry.

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 core competitiveness 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 work 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.

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, through self-developed 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.

STATUTORY DISCLOSURES

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

As at 30 June 2022, 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:

(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	72.45%
	Ordinary	738,000	Individual	0.01%
Wang Qunbin	Ordinary	704,000	Individual	0.01%
Chen Qiyu	Ordinary	26,454,000	Individual	0.32%
Xu Xiaoliang	Ordinary	23,131,800	Individual	0.28%
Qin Xuetao	Ordinary	17,960,640	Individual	0.22%
Gong Ping	Ordinary	12,438,000	Individual	0.15%
Huang Zhen	Ordinary	1,400,000	Individual	0.02%
Zhuang Yuemin	Ordinary	50,000	Individual	0.00%
Yu Qingfei	Ordinary	50,000	Individual	0.00%
Zhang Shengman	Ordinary	100,250	Individual	0.00%
Zhang Huaqiao	Ordinary	505,000	Individual	0.01%
David T. Zhang	Ordinary	205,000	Individual	0.00%
Lee Kai-Fu	Ordinary	160,000	Individual	0.00%
Tsang King Suen Katherine	Ordinary	50,000	Individual	0.00%

STATUTORY DISCLOSURES

(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	331,594,400 ⁽²⁾	Corporate	71.13%
	FTG	Ordinary	1,012,023,932 ⁽²⁾	Corporate	81.62%
	Shanghai Henlius	Domestic shares	291,365,387 ⁽²⁾	Corporate	80.00%
Wang Qunbin		H shares	32,294,939 ⁽²⁾	Corporate	19.76%
	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
Chen Qiyu	Fosun Pharma	A shares ⁽³⁾	114,075	Individual	0.01%
	FTG	Ordinary	501,478	Individual	0.04%
Xu Xiaoliang	FTG	Ordinary	552,328	Individual	0.04%
Qin Xuetang	FTG	Ordinary	200,000	Individual	0.02%
Gong Ping	FTG	Ordinary	200,988	Individual	0.02%
Huang Zhen	FTG	Ordinary	58,000	Individual	0.00%
	Fosun Pharma	A shares ⁽³⁾	45,500	Individual	0.00%
	Yuyuan	A shares ⁽³⁾	1,631,000	Individual	0.04%

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.

STATUTORY DISCLOSURES

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

As at 30 June 2022, 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⁾	72.45%
Fosun International Holdings ⁽¹⁾	6,044,246,673 ⁽²⁾⁽³⁾	72.45%

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 2022, 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(1) 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

Name of Director	Company name	Date of changes	Original position	Current position
Huang Zhen	The Company	March 2022	–	Executive Director and Executive President
	Yuyuan	March 2022	Chairman and President	Chairman

(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
Chen Qiyu	New Frontier Health Corporation ⁽¹⁾	January 2022	Co-Chairman	–
	Sanyuan Foods	May 2022	Director	–
Huang Zhen	Sanyuan Foods	May 2022	–	Director
Lee Kai-Fu	Qingdao Ainnovation Technology Group Co., Ltd ⁽²⁾	January 2022	Chairman and Non-Executive Director	Chairman and Non-Executive Director

STATUTORY DISCLOSURES

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

Unit: RMB million

Name of Director	Date of changes	Remuneration	Target Performance related bonus ⁽³⁾
Guo Guangchang	1 April 2022	6.90	5.60
Wang Qunbin	1 April 2022	6.75	5.55
Chen Qiyu	1 April 2022	6.30	5.20
Xu Xiaoliang	1 April 2022	6.30	5.20

Notes:

- (1) Delisted from the New York Stock Exchange in January 2022
- (2) Listed on the Hong Kong Stock Exchange in January 2022
- (3) Subject to adjustment based on internal appraisal of various performance indicators

Save as disclosed herein, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company purchased a total of 500,000 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD4,120,750 during the Reporting Period. As of 30 June 2022, 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 2022	500,000	8.32	8.14	4,120,750
Total	500,000	–	–	4,120,750

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

REVIEW OF INTERIM REPORT

The audit committee of the Company (the "Audit Committee") comprises four Independent Non-Executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine. Mr. Zhang Huaqiao resigned as a member of the Audit Committee on 23 March 2022 in order to devote more time in his duties in other board committees of the Company. None of the members of the Audit Committee is a former partner of the Company's existing external auditors. 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 report of the Company for the Reporting Period are unaudited but have been reviewed by the Audit Committee. 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.

STATUTORY DISCLOSURES

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 21 March 2022, Zhejiang Fosun Commerce Development Limited* (浙江復星商業發展有限公司, a subsidiary of the Company, "**Zhejiang Fosun**") entered into a share transfer agreement with Zhongrong International Trust Co. Ltd.* (中融國際信託有限公司, "**ZRT**"), pursuant to which Zhejiang Fosun agreed to purchase, and ZRT agreed to dispose of 50% equity interest in Shanghai Fosun Bund Real Estate Company Limited* (上海復星外灘置業有限公司, "**Fosun Bund Real Estate**", with principal business of holding the property of BFC) for a consideration of RMB6,342,187,500. The transaction was completed as at the end of the Reporting Period and Fosun Bund Real Estate became a subsidiary of the Company. For details of the above discloseable transaction, please refer to the announcement of the Company dated 21 March 2022.

On 23 March 2022, FFG (an associate of the Company), Lanvin Group, Lanvin Group Heritage I Limited, Lanvin Group Heritage II Limited (each a subsidiary of the Company) and Primavera Capital Acquisition Corporation (the "**SPAC**") entered into, among others, a business combination agreement (the "**Business Combination Agreement**"). The transactions contemplated under the Business Combination Agreement involve, among other things, the acquisition of FFG by Lanvin Group from FFG's existing shareholders, through the three-step Mergers, pursuant to which new shares of Lanvin Group will be allotted and issued to, among others, the respective existing shareholders of FFG and of the SPAC. It is intended that Lanvin Group will become the new registrant of the U.S. Securities and Exchange Commission (the "**SEC**") and a listed company on the New York Stock Exchange subject to, among other things, the regulatory approval of the SEC. Upon completion, FFG may become a subsidiary of the Company. The transaction has not been 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 23 March 2022.

On 12 April 2022, Miracle Nova (UK) Limited (a subsidiary of the Company, "**Miracle Nova**") entered into a membership interest purchase agreement with the Company and Accident Fund Insurance Company of America ("**AFICA**"), pursuant to which Miracle Nova agreed to sell, and AFICA agreed to purchase, 100% of the equity interests in Miracle Nova I (US), LLC for a total consideration of USD740 million (subject to adjustment). Upon completion, the Group will no longer hold any equity interest in Miracle Nova I (US), LLC and its subsidiaries (including AmeriTrust). The transaction has not been 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 12 April 2022.

On 30 May 2022, Fosun Industrial Holdings Limited (a subsidiary of the Company, "**Fosun Industrial**") entered into a placing agreement with UBS AG Hong Kong Branch (the "**Agent**"), pursuant to which Fosun Industrial has agreed to sell, and the Agent has agreed to procure the purchasers to purchase, or failing which, to purchase itself, 47,593,626 H shares of Tsingtao Brewery Company Limited* (青島啤酒股份有限公司, "**Tsingtao Brewery**") held by Fosun Industrial subject to the terms and conditions set forth in the placing agreement (the "**Disposal by Fosun Industrial**"). Pursuant to the placing agreement and the pricing notice delivered by the Agent, the placement price per H share of Tsingtao Brewery under the Disposal by Fosun Industrial is HKD62.00 and the gross proceeds of the Disposal by Fosun Industrial is approximately HKD2,951 million. From 3 September 2021 to 3 May 2022, during 12 months before the date of the Disposal by Fosun Industrial, an aggregate of 33,096,000 H shares of Tsingtao Brewery were disposed by Fosun Industrial (the "**Previous Disposal by Fosun Industrial**"). The aggregate gross proceed of the Previous Disposal by Fosun Industrial is approximately HKD2,182 million (exclusive of transaction costs). The Previous Disposal by Fosun Industrial and the Disposal by Fosun Industrial were 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 30 May 2022.

Save for those disclosed in this 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 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 Xuetang
Gong Ping
Huang Zhen (*appointed on 23 March 2022*)

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 (*resigned on 23 March 2022*)
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 Xuetang
Zhang Shengman
Zhang Huaqiao
David T. Zhang
Tsang King Suen Katherine

COMPANY SECRETARY

Sze Mei Ming

AUTHORIZED REPRESENTATIVES

Qin Xuetang
Sze Mei Ming

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

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
Hongkong and Shanghai Banking Corporation Limited
Bank of East Asia
Standard Chartered Bank
Natixis Bank
Citi Bank

REGISTERED OFFICE

Room 808, ICBC Tower
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Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

00656

WEBSITE

<http://www.fosun.com>

GLOSSARY

FORMULA

Capital employed	=	equity attributable to owners of the parent + total debt
EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Interest coverage	=	EBITDA/net interest expenditures
Net debt	=	total debt – cash and bank balances and term deposits
Net interest expenditures	=	Interest expenses, net + interest on discounted bills
Total debt	=	current and non-current interest-bearing bank and other borrowings
Total debt to total capital ratio	=	total debt/(shareholder's equity + total debt)

ABBREVIATIONS

AmeriTrust	AmeriTrust Group, Inc. (formerly known as Meadowbrook Insurance Group, Inc.)
Amgen	Amgen Inc.
Articles of Association	the current articles of association of the Company with the latest amendments made on 17 June 2008
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 Co., Ltd. (柏中環境科技(上海)股份有限公司) (formerly known as 柏中環境科技(上海)有限公司)
BioNTech or BNTX	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 contained in Appendix 14 of the Listing Rules
Club Med	Club Med SAS
Company or Fosun International	Fosun International Limited
Director(s)	the director(s) of the Company
Easun Technology	Shanghai Easun Technology Co., Ltd. (上海翌耀科技股份有限公司) (formerly known as 上海翌耀科技有限公司 and 上海愛夫迪自動化科技有限公司)
ESG	Environmental, Social and Governance
EUR	Euro, the lawful currency of the Eurozone
FC2M	Fosun/Family Client-to-Maker

GLOSSARY

FES	Fosun Entrepreneurship/Ecosystem System
FFG	Fosun Fashion Group (Cayman) Limited
FFT	FFT GmbH & Co. KGaA
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 Fosun Chancheng Hospital	Foshan Fosun Chancheng Hospital Company Limited (佛山復星禪誠醫院有限公司) (formerly known as 佛山市禪城區中心醫院有限公司)
Fosun Alliance	Fosun Alliance application
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 Health	Shanghai Fosun Health and Technology (Group) Co., Ltd. (上海復星健康科技(集團)有限公司)
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 its subsidiaries
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 Sports	Fosun Sports Group S.à r.l.
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
Gangbao	JM Digital Steel Inc. (江蘇金貿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
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
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
HAL	Hauck Aufhäuser Lampe Privatbank AG (formerly known as Hauck & Aufhäuser Privatbankiers AG and Hauck & Aufhäuser Privatbankiers KGaA)
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
Intuitive Surgical	Intuitive Surgical, Inc.
JEVE	Tianjin EV Energies Co., Ltd. (天津市捷威動力工業有限公司)

GLOSSARY

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
JPY	Japanese yen, the lawful currency of Japan
Kite Pharma	KP EU C.V.
Lanvin Group	Lanvin Group Holdings Limited
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)
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)
NASDAQ	National Association of Securities Dealers Automated Quotations
NEEQ	National Equities Exchange and Quotations
Organon	Organon & Co.
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, which for the purpose of this report, excludes Hong Kong, Macau and Taiwan region
Reporting Period	the six months ended 30 June 2022
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

GLOSSARY

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

* For identification purpose only



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