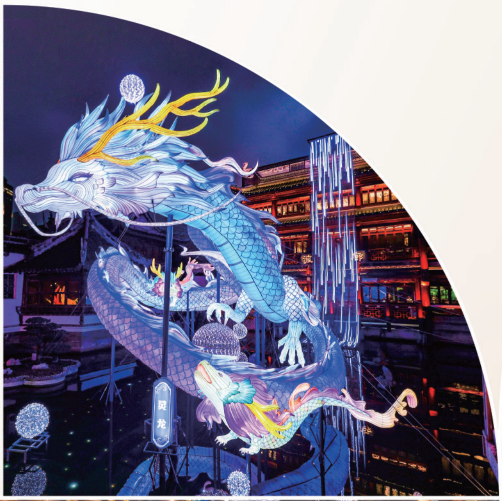
FOSUN 復星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

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

2023 ANNUAL REPORT



聚焦主業
穩健前行

Steady progress
Focusing on core business

Steady Progress
Focusing on Core Business

In 2023, Fosun continued to implement core business-focused strategy and improve its operating capabilities in advantageous industries. During the Reporting Period, the Group achieved a total revenue of RMB198.2 billion, representing a year-on-year increase of 8.6%. Thanks to the Group's long-term global business presence and continuous innovation, industrial operation profit reached RMB4.9 billion, representing an increase of 20.4% as compared to 2022 under the same basis. The profit attributable to owners of the parent was RMB1.38 billion.

Meanwhile, Fosun continued to optimize its debt structure and strengthen liquidity management to prepare for the next phase of steady development. As at the end of the Reporting Period, the consolidated interest-bearing debt decreased by RMB15 billion and interest-bearing debt at the group level decreased by RMB9.2 billion as compared with the end of 2022, total debt continued to reduce both at consolidated statements of the Group and at the group level. The total debt-to-capital ratio at the consolidated statements of the Group stood at 50.4%, representing a decrease of 2.9 percentage points from 31 December 2022. In May 2023, the international credit rating agency S&P raised Fosun's rating outlook to "stable", recognizing Fosun's financial strategy and the sustainability of its future development.

After more than a decade of efforts, Fosun has gradually completed its global expansion and industrial business presence, anchoring itself in the household consumption sector. Fosun's industry operations strategy has also evolved from "prospecting" and "exploration" across various industries and locations worldwide to "deep mining" (which means focusing on the development of its core industries) and "developing good mines" (which means tapping into industries with high value-added development and growth potential). Fosun will continue to develop the industries where it has already established a presence, enhancing certainty and making stable profit growth as the core objective of Fosun's future operations. In 2023, Fosun continued its "deep mining" and further deepened its global operations. Fosun now has established business presence in over 35 countries and regions. Its "global organization + local operations" model has become increasingly mature. In 2023, Fosun's overseas revenue reached RMB89.2 billion, representing a year-on-year growth of 6% and accounting for 45% of the total revenue.

In the Health segment, HANQUYOU (trastuzumab for injection), independently developed and produced by Shanghai Henlius, has been approved for marketing in more than 40 countries and regions worldwide, making it the domestically-produced biosimilar drug with the highest number of market approvals. In December 2023, Shanghai Henlius' first innovative drug HANSIZHUANG (serplulimab injection) was approved for marketing in Indonesia, becoming the first domestically-produced anti-PD-1 monoclonal antibody successfully approved for marketing in a Southeast Asian country. In the Happiness segment, as at the end of 2023, Club Med had sales and marketing operations in more than 40 countries and regions across six continents, and operated 68 resorts (including 10 resorts in China). The Yuyuan Garden Lantern Festival, a national intangible cultural heritage event that has been held for 29 consecutive years, successfully made its overseas debut in Paris, France, attracting nearly 200,000 local visitors. In the Wealth segment, Fosun Insurance Portugal continued to expand its presence in overseas markets such as South America and Africa. Its international business reported a premium revenue of EUR1.70 billion, representing a year-on-year increase of 10.6%. Hainan Mining in the Intelligent Manufacturing segment completed its investment in KOD and KMUK, and obtained a controlling stake in the lithium mine asset of Bougouni in Mali, Africa. The new energy industry layout and internationalization strategy have taken a critical step.

Technology innovation serves as another core driver for Fosun's development. During the Reporting Period, the Group's total investment in technology innovation amounted to RMB7.4 billion. HANSIZHUANG (serplulimab injection), the world's first anti-PD-1 monoclonal antibody approved for first-line treatment of extensive-stage small cell lung cancer (SCLC) developed independently by Shanghai Henlius has been approved for four indications; the second-generation artesunate for injection (Argesun®) was prequalified by the World Health Organization (WHO-PQ), becoming the first injectable artesunate presented with a single solvent system approved by WHO-PQ, greatly improving the convenience of clinical use. China's first CAR-T cell therapy product, Yi Kai Da (ejilunsai injection), developed by Fosun Kite, has received conditional approval from the National Medical Products Administration (the "**NMPA**") for a new second-line indication, bringing more treatment options and hope for Chinese lymphoma patients. Intuitive Fosun's domestic Da Vinci Xi Surgical System was successfully approved by the NMPA and officially commenced production. Da Vinci Xi Surgical System has been installed in China, realizing "made in China, joint research & development, global sales".

While growing its business operations, Fosun upholds its original aspiration of "Contribution to Society" and continues to participate in public welfare programs such as providing global emergency relief, assisting the fight against malaria in Africa, running the Rural Doctors Program, fostering education, culture and entrepreneurship. In 2021, Fosun made a commitment to society - "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050". In April 2023, the Group issued its first Task Force on Climate-Related Financial Disclosures (TCFD) report, demonstrating its commitment to climate action to the international community. Leveraging its remarkable performance in environmental, social, and corporate governance (ESG), as at the end of the Reporting Period, Fosun International received an MSCI ESG rating of AA and it is the only conglomerate in Greater China with such rating.

Looking ahead to 2024, Fosun will focus more on enhancing asset-light operational capabilities and seizing development opportunities. Fosun will continue to focus on core businesses, leveraging its unique strengths to enhance its capabilities and strengthen its foundation, and actively invest and expand in advantageous sectors. Through forward-looking planning, Fosun will deeply explore the capabilities and value of the Fosun ecosystem, endeavoring to create more good products and services for one billion families worldwide.

Profit Attributable to Owners of the Parent

RMB 1.38 billion

聚焦主業 穩健前行

Steady progress
Focusing on core business

Financial Summary

In RMB million	For the year ended 31 December 2023	2022 (restated*)
Revenue	**198,200.3**	182,425.8
Health	**46,314.4**	48,001.3
Happiness	**88,946.4**	70,739.5
Wealth	**51,779.5**	54,754.8
Insurance	**37,453.6**	39,460.1
Asset Management	**14,325.9**	15,294.7
Intelligent Manufacturing	**12,755.6**	10,355.6
Eliminations	**(1,595.6)**	(1,425.4)
Profit/(loss) attributable to owners of the parent	**1,379.1**	(831.8)
Health	**580.2**	1,348.7
Happiness	**(263.9)**	1,561.4
Wealth	**237.3**	(4,880.3)
Insurance	**790.2**	(2,969.5)
Asset Management	**(552.9)**	(1,910.8)
Intelligent Manufacturing	**934.1**	1,201.9
Eliminations	**(108.6)**	(63.5)
Earnings/(loss) per share – basic *(in RMB)*	**0.17**	(0.10)
Earnings/(loss) per share – diluted *(in RMB)*	**0.17**	(0.10)
Dividend per share *(in HKD)*	**0.038**	0.014

* The comparative segment information has been restated to reflect the adoption of "Hong Kong Financial Reporting Standard No.17-Insurance Contract" starting from 2023. Please refer to Note 2 to financial statements for more operating segment information.

Dear shareholders,

In 2023, the global economy showed signs of recovery, yet still filled with challenges. The entire team of Fosun worked together, actively seized opportunities and insisted on pursuing sustainable growth, resulting in the overall achievement of steady growth.

As a global innovation-driven consumer group, the Group always adheres to the strategy of "profound industry operations + industrial investment", and remains committed to the two core growth drivers of technology innovation and global operations. The revenue of the core businesses grew steadily in 2023. During the Reporting Period, the Group's revenue was RMB198.20 billion, representing a year-on-year increase of 8.6%; the profit attributable to owners of the parent was RMB1.38 billion, representing a year-on-year increase of RMB2.21 billion, indicating a positive business outlook. There were significant growth in the revenue of the four core subsidiaries, namely Yuyuan, Fosun Pharma, Fosun Insurance Portugal and FTG, contributing 72% of the revenue. In particular, FTG maintained a strong recovery momentum, with business volume substantially surpassing the pre-pandemic performance and reaching RMB17.15 billion for the year, representing a year-on-year increase of 24.5%. Its profit attributable to equity holders turned around to RMB0.31 billion.

Meanwhile, in the face of the complex and volatile external environment, Fosun maintained its strategic focus and continued to promote its business streamlining strategy. On the one hand, Fosun stepped up its efforts in divesting some of the non-core and non-strategy assets to continuously reduce debt and consolidate its liquidity cushion, preparing for the next phase of growth. On the other hand, it further focused on core businesses in the household consumption sector and increased investment in advantageous industries. We are pleased to see that the market has responded positively to Fosun's strategy and development plan. Fosun Pharma's independently developed innovative drugs have gradually entered overseas markets, while FTG's newly opened resorts received positive feedbacks from consumers.

Once again, we would like to express our gratitude to all shareholders for your long-standing support. The entire team of Fosun will work diligently and stay committed with unwavering determination to achieve better results in return for your trust in us.

"Deep mining" and "developing good mines" with stable profit growth as the core objective

After more than a decade of efforts, Fosun has gradually completed its global expansion and industrial business presence, anchoring itself in the household consumption sector, striving to intelligently create a healthy, happy and wealthy lives for families worldwide. Fosun's industry operation strategy has also evolved from "prospecting" and "exploration" across various industries and locations worldwide to "deep mining" (which means focusing on the development of our core industries) and "developing good mines" (which means tapping into industries with high value-added development and growth potential). We will continue to develop the industries where we have already established a presence, enhancing certainty and making stable profit growth as the core objective of Fosun's future operations. In the future, we will continue to focus on core businesses, leveraging our unique strengths to enhance our capabilities and strengthen our foundation, and actively invest and expand in advantageous sectors. Through forward-looking planning, we will deeply explore the capabilities and value of the Fosun ecosystem, endeavoring to create more good products and services for one billion families worldwide.

Press ahead with the globalization strategy

Fosun always regards globalization as one of the key core drivers for its development. Since Fosun International's listing in Hong Kong in 2007, Fosun's globalization journey has spanned nearly 17 years. In the course of its journey, Fosun has progressively deepened the development and expanded the scope of globalization. It now has established business presence in over 35 countries and regions across five continents, boasting a portfolio of renowned brands. Its "global organization + local operations" model has become increasingly mature. In 2023, Fosun further strengthened its global operations across various industries, with overseas revenue reaching RMB89.20 billion, accounting for 45.0% of the total revenue, representing a 6.0% year-on-year growth.

Fosun consistently adheres to the philosophy of "being rooted in China and serving the world", continuously improving its globalization strategy by leveraging China's excellent supply chain system and efficiency advantages. After establishing competitiveness in China, good products of various industries can swiftly enter overseas markets through the empowerment of Fosun's global ecosystem. Shanghai Henlius' first domestically independently developed monoclonal antibody drug approved in both China and Europe, HANQUYOU (trastuzumab for injection) has been approved for marketing in more than 40 countries and regions worldwide. In June 2023, the second-generation artesunate for injection (Argesun®), independently developed by Fosun Pharma, was prequalified by the World Health Organization (WHO-PQ), becoming the first injectable artesunate presented with a single solvent system approved by WHO-PQ, further improving the accessibility of high-quality, innovative antimalarial drugs and saving more lives in Africa and globally. Shede Spirits has deepened its aged spirits strategy, developed a multi-brand matrix, and promoted the in-depth globalization of Shede's products and brands through various operating models such as trade and duty-free. Dedicated to creating drinking experiences that cater to the preferences of overseas consumers, it has expanded into 31 overseas countries and regions.

For Fosun, globalization means more than just "two-way engagement" between the global and Chinese markets. It extends to the endogenous development of its ecosystem enterprises both domestically and internationally, encouraging them to actively expand their businesses beyond their domestic markets. Fosun Insurance Portugal has actively addressed inflation by enhancing its pricing strategy. It has not only steadily expanded its business in Portugal and maintained local leadership, but also continued to achieve rapid premium growth in its international business, with growing influence in Central Europe and Portuguese-and-Spanish-speaking regions. In 2023, Fosun Insurance Portugal recorded total gross written premiums of EUR5,207 million and net profit of EUR0.18 billion. In 2023, Easun Technology continued to expand into the global market, with strong growth in its North American business and new orders increasing by 70% year-on-year.

In addition to the "hard power" (硬實力) of business globalization, **Fosun's "soft power" (軟實力) accumulated in its globalization journey is equally invaluable.** As a representative of Chinese culture, the Yuyuan Garden Lantern Festival, a national intangible cultural heritage, was held in the overseas for the first time. It was designated as part of the opening festivities celebrating the 60th anniversary of the establishment of diplomatic relations between China and France, as well as the China-France Year of Culture and Tourism. It also served as a highlighted event for the bilateral cooperation between China and France in 2024. The Festival Dragons et Lanternes held in Jardin d'Acclimatation in Paris, France from late 2023 to early 2024 attracted nearly 200,000 local visitors, showcasing the magnificent Chinese lanterns, spreading the beauty of oriental lifestyle aesthetics and demonstrating the charm of Chinese culture.

Lead with technology, driven by innovation

Technology innovation serves as another core driver for Fosun's continuous development. In 2023, the Group's total investment in technology innovation amounted to RMB7.4 billion. It has established more than ten technology innovation centers covering various industries, continuously empowering the launch of new technologies and products.

In the health sector, Intuitive Fosun has achieved the localization of da Vinci Surgical System and successfully launched commercialization. Since its launch more than two years ago, the CAR-T cell therapy product Yi Kai Da (奕凱達®) of Fosun Kite, a joint venture company of Fosun Pharma, has been used to treat hundreds of patients with relapsed or refractory large B-cell lymphoma (r/r DLBCL). In June 2023, the second-line indication of Yi Kai Da was officially approved for marketing, bringing more treatment options and hope for Chinese lymphoma patients.

Shanghai Henlius' independently developed HANSIZHUANG (serplulimab injection) (漢斯狀) has provided a new treatment option for patients with small cell lung cancer (SCLC) and obtained approvals for several indications. It also became the world's first monoclonal antibody drug targeting PD-1 approved for the first-line treatment of extensive-stage SCLC. In December 2023, it made its debut in the Indonesia market, marking the first step of its international expansion. Our long-term commitment in technology innovation has brought us the joy of returns. Following the first half-year profits achieved in the first half of 2023, Shanghai Henlius achieved full-year profits and has initially developed self-sufficiency capabilities, laying a solid foundation for further high-quality development.

Fosun persists in doing the right things, the difficult things, and the things that take time to develop. We believe that persistence and dedication are essential to achieve the long-term goal of reaping returns through technology innovation. It is the trust in Fosun's technology innovation and operational capabilities that enabled Shanghai Fujian Equity Investment Fund Management Co., Ltd., a subsidiary of Fosun Pharma to be selected as one of the first batch of "20+8" industrial fund management institutions in Shenzhen in 2023, exclusively managing a biopharmaceutical fund with a scale of RMB5.0 billion.

The year 2023 was known as the "Year of AI", witnessing the explosive growth of productivity tools in artificial intelligence, represented by OpenAI. Fosun actively seized opportunities in the field of AI, applying AI technologies to areas such as drug pipeline research and development, and online intelligent customer service, exploring opportunities across industries. We will fully embrace changes and better utilize emerging technological tools in all aspects of industry operations. Fosun Aitrox has applied a universal artificial intelligence research and development paradigm to more than 80 comprehensive product matrices spanning imaging, pathology, and ultrasound, focusing on the high-quality development of primary healthcare and cutting-edge technological innovation in clinical disciplines.

In terms of creativity and innovation, Fosun actively promotes innovation in consumption scenarios, endeavoring to fully integrate cutting-edge technologies with offline scenarios. In addition to the spectacular offline scenes, the 29th Yuyuan Garden Lantern Festival enhanced the metaverse experience through technologies such as augmented reality (AR) and digital lighting, attracting 4 million visitors and driving approximately 50% growth in various industries and product sales during the Spring Festival. Currently, the overall planning of the Grand Yuyuan is proceeding according to the plan. Fosun is confident and well-equipped to build a large cultural and commercial complex of over 1 million square meters, serving as a global fashion and cultural showground with the charm of "oriental lifestyle aesthetics" in the core area of Shanghai's business district.

Deepen industry operations and enhance asset-light operational capabilities

In the past few years, Fosun's industrial operational capabilities have overcome the tests imposed by challenging external economic environments, and have built a more cohesive and resilient team. Despite encountering difficulties, Fosun identified new opportunities for growth and development, which led to a significant improvement in industrial operational capabilities and remarkable achievements.

In 2023, Yuyuan's Jewelry & Fashion Group strengthened its channel operations, simultaneously improving its "quality + quantity". The total number of point of sale (POS) for its brands, including Laomiao, Yayi, DJULA, and Lusant, went beyond 5,000, representing a net increase of 424 POS as compared to the previous year. It consistently improved its product offerings, resulting in double-digit growth in both revenue and profit attributable to owners of the parent. In particular, its revenue grew 11% year-on-year to RMB36.7 billion, which outperformed the industry average growth.

In the field of tourism, we have identified many emerging demands which have not been met in China, such as urban vacations and ice and snow tourism. In 2023, FTG launched a series of new product lines. In October, Club Med launched its first urban resort, Club Med Urban Oasis Nanjing Xianlin Resort, in Nanjing, opening up the new field of urban vacations. In November, the Taicang Alps Resort, dedicated to providing ice and snow vacations, had its grand opening. FTG's innovative products that advocate the concept of "lifestyle-based vacation" and "vacation-like lifestyle" are providing urban residents with new ways of life.

Globally, Club Med also witnessed a record-breaking year in 2023, with a business volume of RMB15.12 billion, representing an increase of 19.2% as compared with the same period in 2022, and equivalent to 118.3% of business volume achieved for the same period in 2019. The adjusted EBITDA of the resort operation increased to RMB3.21 billion from RMB2.19 billion in 2022. In a context of strong inflation, Club Med continued to position itself in high-end segment of the market in order to consolidate its leading industry position.

The recovery momentum of Atlantis Sanya was equally strong. Its business volume surged 90.9% year-on-year to RMB1.67 billion in 2023. Through a series of industry-led international and diversified activities such as "Night Tour Experience", "Super Summer (超級暑假)", and "China's Mermaid Open Tournament", the average occupancy rate of Atlantis Sanya maintained at a high level and reached 81.9% in 2023. In the first two months of 2024, benefiting from the surge in demand during the New Year and the Chinese New Year holidays, Atlantis Sanya recorded a business volume of RMB0.46 billion, representing an increase of 16.5% over the same period in 2023. The average occupancy rate was 94.8%.

The recovery in consumption also extended to other sectors. In 2023, Yuyuan's chain restaurant business accelerated its expansion, the number of Songhelou Noodle Restaurant reached 173 nationwide. Marking its two-year anniversary, the Hangzhou-Shaoxing-Taizhou Railway has been operating in a safe and orderly manner, with a total passenger flow exceeding 20 million.

After more than three decades of development, Fosun has accumulated profound operational capabilities. The achievements and figures mentioned above once again confirm the broad scope and depth of Fosun's industrial operational capabilities, which are essential for seizing opportunities in asset-light cooperation. Considering the current interest rate levels and financing environment, Fosun will focus more on enhancing asset-light operational capabilities. **With the asset-light strategy and cooperation with key partners, Fosun will seize the opportunities presented by asset-light operation.** In the future, while continuously improving its capabilities, the Group will also expand its network of partners by strengthening cooperation with local governments, state-owned enterprises, and other partners. Through complementary strengths and win-win cooperation, Fosun aims to create more high-quality projects and products. At the same time, we will fully leverage Fosun's long-established investment capabilities and adhere to the "industry + investment" and "insurance + investment" strategies, **making full use of our industrial advantages and cost advantages of insurance funds to effectively implement a combination of development strategies.**

Sound financials with balanced investment and divestment

Despite the continued uncertainty in the external market environment in 2023, we implemented a proactive and prudent financial strategy, further optimizing the balance sheet and continuously reducing the leverage ratio, which provided a solid financial cushion for focused development.

During the past year, Fosun successfully carried out the divestment of non-strategy and non-core assets, including the exit from the iron and steel industry by disposing Nanjing Nangang, Jianlong Shares, etc., resulting in a cash inflow of RMB27.3 billion for the full year.

Meanwhile, Fosun maintained smooth financing channels with domestic and overseas banks as well as the public market. In early 2023, Fosun High Technology entered into a syndicated loan agreement for an amount of RMB12 billion with eight domestic banks, led by five major state-owned banks, reflecting steadfast support for the development of private enterprises. In the international market, Fosun successfully formed and completed a syndicated loan amounting to over USD500 million with international banks, domestic banks, Hong Kong banks, and European banks. In terms of public market financing, Fosun High Technology successfully issued RMB700 million worth of medium-term notes, serving as a rare example of a privately-owned enterprise successfully issuing pure credit bonds in the domestic market in 2023.

Overall, Fosun successfully attained the objective of maintaining a stable financial position in the past year. As at the end of the Reporting Period, the consolidated interest-bearing debt was RMB211.92 billion, representing a decrease of RMB15.00 billion in comparison with the end of 2022, while the total debt-to-capital ratio stood at 50.4%, representing a decrease of 2.9 percentage points from 31 December 2022. Cash and bank balances and term deposits reached RMB92.46 billion.

Recognizing Fosun's debt reduction capability and execution, the international credit rating agency, S&P, carried out a positive rating revision of Fosun in 2023, raising the Group's rating outlook to "stable".

Looking ahead, we hold an optimistic view on gradually entering an interest rate reduction cycle following the peak of the US dollar rate hike. We believe that the further improvement of domestic and overseas financing environments will inject more vitality into Fosun's development.

Remain committed to the original aspiration of "Contribution to Society" and develop business for good

Since its establishment, Fosun established its original aspiration of "Self-improvement, Teamwork, Performance, and Contribution to Society". We firmly believe that business should be developed for a good cause, and the greatest value of a company lies in its social impact. While focusing on business operations, we have been committed to strengthening sustainable development management, actively shouldering corporate social responsibilities, implementing environmental, social and governance (ESG) practices. Leveraging the resources and advantages of Fosun's global industrial ecosystem, we strive to continuously create a better world.

In 2023, Fosun's ESG management system was further strengthened. Fosun International received an MSCI ESG rating of AA for three consecutive years and ranked among the top 6% of industries worldwide in the S&P Global Corporate Sustainability Assessment (CSA). In addition, Fosun International was included in S&P Global's Sustainability Yearbook 2024 and recognized as an Industry Mover.

We have actively responded to the national carbon peaking and carbon neutrality goals, and have implemented measures for carbon neutrality and energy conservation and emission reduction. We have also issued our first Task Force on Climate-Related Financial Disclosures (TCFD) report, demonstrating our commitment to climate action to the international community. Through the establishment of a Carbon Neutrality Committee and a Carbon Neutrality Working Group, the Group continues to drive the achievement of carbon peaking and carbon neutrality goals and promotes carbon neutrality management among its member companies. These initiatives not only demonstrate Fosun's commitment to environmental protection, but also reflect our determination to promote sustainable development globally.

The Rural Doctors Program has covered 78 key rural revitalization counties in 16 provinces, municipalities, and autonomous regions across the country. A total of 371 staff have been sent to counties to provide assistance, supporting 25,000 rural doctors and benefiting 3 million grassroots families.

In addition to the efforts at the group level, Fosun also actively encourages its subsidiaries and ecosystem organizations to actively improve ESG practices. Artesunate for injection (Artesun®), independently developed by Fosun Pharma, is the preferred treatment of severe malaria recommended by the World Health Organization (WHO) and has become a well-known Chinese innovator drug in Africa and the world. As at the end of 2023, Artesun® has been used to treat more than 68 million patients with severe malaria worldwide, most of whom were African children under five years old. Through the power of football, Wolves Foundation has collaborated with more than 100 local schools, supporting the growth of thousands of primary school students in key areas such as personal development, social engagement, health, and sports.

At the beginning of 2023, Fosun officially incorporated the half-day public welfare leave policy into the Group's employee manual. Since its implementation one year ago, a total of more than 4,500 Fosun employees at home and abroad have participated in public welfare activities in various fields, amounting to 34,476 hours, demonstrating that Fosun has been contributing to the society through concrete actions.

In this ever-changing world, Fosun's entrepreneurial journey of more than 30 years has been full of challenges and opportunities. Despite the fluctuations in the external economic environment, our industrial operational capabilities have not only withstood the test, but have also improved significantly. This growth is not solely ours, but is a testament to the trust and dedication of all shareholders and supporters. Every step of our progress has been driven by the support and confidence of our shareholders, motivating us to keep moving forward.

Looking ahead, we are filled with confidence. We believe that no matter how challenging the future may be, every Fosuner will stay true to our original aspiration and will consistently create value. We firmly believe that no matter how the world changes, people's aspirations for a better life will remain unchanged, and Fosun is committed to its vision of creating better lives for families worldwide. We look forward to joining hands with shareholders to create a better future.

Guo Guangchang
27 March 2024

BUSINESS OVERVIEW

Since its establishment in 1992, the Group has remained true to its original aspiration of "Contribution to Society". In response to the macroeconomic situation and opportunities that have arisen from industries and with the forward vision of "changing first to bring changes", the Group has grown together with Chinese and global economies and has developed itself into a global innovation-driven consumer group that focuses on the sustainable development of business segments such as Health, Happiness and Wealth. The Group has accumulated profound experience and built up capabilities in the fields of global operations, technology and innovation, business ecosystem and FES management system, building up its core businesses that can bring stable, synergistic and sustainable growth. The Group presses ahead with the "profound industry operations + industrial investment" strategy to continuously accelerate its strategic focus, consolidate its asset base, and provide high-quality products and services to families around the world while enhancing its global competitiveness.

SPEEDING UP IMPLEMENTATION OF STRATEGIES DESPITE CHALLENGES AND ACHIEVING STEADY RECOVERY IN FUNDAMENTALS

Various hardships and challenges were interwoven and overlapped in 2023. Internationally, the sluggish global economic recovery, escalating geopolitical conflicts and rising trade protectionism continued to augment the adverse impact of the external environment on China's development. Domestically, the economy has recovered mildly and still requires time to be fully restored due to the overlapping of shrinking external demand and insufficient domestic demand. Despite the various difficulties, China's economy kept progressing against the headwinds and the GDP grew by 5.2% to over RMB126 trillion. It was against the backdrop of the complex macroeconomic environment that the Group hardened its resolve to implement the business streamlining strategy, continuously focused on household consumption as the top-priority sector, and concentrated on the development of its core industries. All of the efforts yield certain results. During the Reporting Period, benefiting from its diversified global business presence and sound operation capabilities, the Group's total revenue grew to RMB198.20 billion after 3 consecutive years of growth, representing an increase of 8.6% as compared to 2022. In particular, the four largest subsidiaries of the Group by revenue in 2023 – Yuyuan, Fosun Pharma, Fosun Insurance Portugal and FTG (in descending order) – yielded a total revenue of RMB142.69 billion. Driven by Yuyuan's principal business of gold and jewelleries and the excellent performance of Club Med and Atlantis Sanya under FTG, the total revenue of the four largest subsidiaries recorded a year-on-year increase of 8.0%, accounting for 72.0% of the Group's total revenue. The Group had maintained steady growth of its asset base. Benefiting from the long-term international business presence of the Group and driven by the turnaround of FTG as well as the results of BCP, an associate in Portugal, the Group's industrial operation profit[1] reached RMB4.90 billion during the Reporting Period, representing an increase of 20.4% as compared to 2022 under the same basis (excluding the impacts of exited operating enterprises).

Under the background that the Federal Reserve System of the US significantly raised the benchmark interest rate, the Group continuously optimized its debt structure. Meanwhile, benefiting from the stable interest rates and borrowings in China, the Group's debt costs generally remained stable. During the Reporting Period, under the consolidated statements of the Group, the average cost of debt slightly increased by 89 basis points to 5.60% in the Reporting Period from 4.71% in 2022. As at the end of the Reporting Period, under the consolidated statements of the Group, cash proceeds collected were approximately reaching to RMB40 billion and the Group's interest-bearing debts were RMB211.92 billion, decreasing by RMB15.00 billion as compared to the end of 2022. Based on the above factors and during the Reporting Period, the Group's profit attributable to owners of the parent amounted to RMB1.38 billion, up RMB2.21 billion compared to that of 2022. As at the end of the Reporting Period, the Group's total debts to total capital ratio was 50.4%, which dropped by 2.9 percentage points as compared to 31 December 2022; cash and bank balances and term deposits reached RMB92.46 billion and the financial position was sound and stable.

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

OPTIMISING ASSET PORTFOLIOS AND IMPROVING CREDIT INDICATORS CONTINUOUSLY

In terms of liquidity and liability management, the Group has been actively maintaining prudent liquidity and liability management. While actively exploring diversified financing channels, the Group maintained the efforts in asset disposal in 2022 and consolidated its liquidity safety cushion in response to uncertainties in external environment. In terms of bank financing channels, in early 2023, Fosun High Technology, a subsidiary of the Company, entered into a syndicated loan for an amount of RMB12 billion with eight domestic banks, which includes five major state-owned banks (as joint lead), and policy banks and joint-stock banks, reflecting the domestic banks' firm support to private enterprises, as well as domestic banks' recognition of the Group's efforts in asset disposal and debt deduction. Against the adverse backdrop of continuous interest hikes by the Federal Reserve System of the US, the Company successfully completed an overseas syndicated loan with an amount exceeding USD500 million with the participation of international banks, Chinese, Hong Kong and European-funded banks, showing the continuous recognition of domestic and overseas banks on the Group's credibility. As for public-market financing channels, Fosun High Technology seized the opportunity of the gradual recovery of the domestic public market and successfully issued four commercial papers with a total amount of RMB3.5 billion. In October 2023, it successfully issued medium-term notes with an amount of RMB700 million, marking it one of the few successful cases of the issuance of medium-term notes by private enterprises in the domestic market in 2023. At the same time, the Group continued to deepen its asset-light operation model and flexibly shifted its strategy to exit the ownership of some of its fixed assets through a combination of disposal and securitization, including but not limited to BFC (Bund Finance Center). S&P, an international credit rating agency, has upgraded the Group's rating outlook to "stable" and affirmed ratings of BB– in recognition of the Group's asset disposal and debt reduction, further affirming the Group's improved credit profile.

The Group initiated the disposal of non-strategy and non-core assets in 2020 and the Group further pushed forward the implementation since mid of 2022 in the face of volatile capital market. The Group has continued to firmly push forward the implementation of the divestment of non-strategy and non-core assets in 2023 and emphasized the importance of cash flow management. As at the end of the Reporting Period, cash inflow from divestment and divestment related structure arrangements amounted to RMB27.3 billion in 2023, which further optimized the balance sheet and consolidated its liquidity safety cushion. During the Reporting Period, major cash inflow projects included: AmeriTrust, Nanjing Nangang, Jianlong Shares, Shanghai PANASIA Shipping Co., Ltd. as well as issuance of BFC asset-backed securities (quasi-REITs).

STRENGTHENING INDUSTRY OPERATIONS WITH CORE CAPABILITIES, AND DEEPENING DEVELOPMENT BY FOCUSING ON CORE BUSINESSES

Fosun's unique global operation capabilities to facilitate the continuous diversification of the Group's revenue. As a global enterprise rooted in China, the Group thoroughly develops the Chinese market and at the same time links up its various businesses and resources in different countries and regions, and actively enhances the global operation capabilities of the Group's member companies based on its business presence in over 35 countries and regions around the world. As at the end of the Reporting Period, the Group's overseas revenue accounted for 45.0% of the total revenue, which grew by 6.0% year-on-year. Benefiting from the Group's global business presence and synergies within its business ecosystem, the Group's various businesses have become increasingly internationalized during the Reporting Period.

During the Reporting Period, the globalization capabilities of the Group's Chinese enterprises has been increasingly improved in multiple ways:

First, in terms of global research and development ("**R&D**") and business development capabilities, HANSIZHUANG, an innovative drug of Shanghai Henlius, a subsidiary of Fosun Pharma, was approved by Indonesia's National Agency for Drug and Food Control (BPOM) for treatment of extensive-stage small cell lung cancer, which is the first China-made anti-PD-1 mAb approved for marketing in Southeast Asia. As at the end of the Reporting Period, Shanghai Henlius carried out a global commercialization plan for its products with the focus on HANSIZHUANG in a forward-looking manner, actively explored overseas markets and joined its partners in comprehensively extending its market coverage to over 70 countries and regions such as the US, Europe, Southeast Asia, Middle East, North Africa and India. Through cooperation and innovation, Shanghai Henlius will speed up in promoting the development and application of immunotherapy in the world and provide patients with more efficient and high-quality treatment options.

Second, in terms of global operational capabilities, Club Med, a subsidiary of FTG, recorded new highs in its business volume of RMB15.12 billion in 2023. During the Reporting Period, Club Med newly opened Urban Oasis Nanjing Xianlin Resort, and Taicang Resort in China, Kiroro Grand Resort in Japan, and La Rosière Exclusive Collection in France, and further strengthened the line-up of global resorts. Easun Technology continued to promote integrated operations worldwide, resulting in a significant increase in its overseas orders. New orders reached RMB6.291 billion in 2023, representing a year-on-year increase of 62%. It saw robust growth in business operations in the North America. New orders reached RMB1.927 billion, representing a year-on-year increase of 70%.

Third, in terms of global investment and financing capabilities, Hainan Mining has been carrying out its business plan for lithium salt processing and lithium ore mining which are the upstream industries of the new energy sector since 2021. In November 2023, Hainan Mining completed the acquisition of 14.72% equity interest in Kodal Minerals PLC ("**KOD**") and 51% equity interest in Kodal Mining UK Limited ("**KMUK**") (a wholly-owned subsidiary of KOD) with a total consideration of USD118 million, obtaining the controlling equity interest in the lithium mine of Bougouni in Mali, Africa. This marks Hainan Mining's official implementation of its plan for developing the business of lithium resources for the new energy sector. When the project is completed and put into operation, Hainan Mining will become one of the few enterprises with its own quality mines and an upstream business of lithium resources that has an advantage of the integrated operation of high-quality and advanced processing and production lines.

Meanwhile, the globalization capabilities of the Group's overseas companies have also been further improved:

First, in terms of global operations capabilities, despite the complicated overall macroeconomic environment in 2023, Fosun Insurance Portugal was full of resilience in operation and financial performance. On the basis of maintaining its leading position in the Portuguese market with a market share of approximately 30%, Fosun Insurance Portugal's overall gross written premiums from its international business maintained a year-on-year increase of 10.6% and the proportion of its international business was increased to 32.7%, which was mainly attributed to the increase from business in Latin America.

Second, in terms of global investment and financing capabilities, Gland Pharma, an Indian pharmaceutical company under Fosun Pharma, completed the acquisition of Cenexi, a French pharmaceutical company, during the Reporting Period. This strategic move laid the groundwork for its Contract Development and Manufacturing Organization (CDMO) business operations in the European market.

At the same time, Fosun also actively promotes Chinese culture to go global. From 15 December 2023 to 25 February 2024, "Yuyuan Lantern Festival", a national intangible cultural heritage, went aboard for the first time. It came to the ancient Jardin d'Acclimatation with the spirit of the times from Yu Garden with a history of over 400 years. As one of the activities at the opening of the China-France Year of Culture and Tourism, it presented the essence of Eastern culture as a "Chinese New Year Gift" to families all over the world.

Promoting the ecosystem's multiplier growth through multi-industry collaboration within the ecosystem. During the Reporting Period, the subsidiaries of the Group continuously enhanced the ecosystem collaboration. The Group's ecosystem created a total value[2] of over RMB12.08 billion (before intercompany eliminations), representing a year-on-year growth of 75% during the Reporting Period. Major programs of ecosystem value creation included:

1) Global marketing activities by innovative brands

At the beginning of 2024, the Group held the "Fosun Family Season" campaign, a key event within the Group's ecosystem in the year, and carried out joint marketing with over 60 domestic and overseas brands of the Group, covering Health, Happiness, Wealth and other businesses. It held over 1,000 activities in over ten countries and regions including China, France, the US, Portugal, the UK, Japan and Southeast Asia and released over 80 products related to the theme of the Year of the Loong which created New Year scenes and immersive experiences with oriental lifestyle aesthetics for families around the world. The 72-day campaign had a communication volume of more than 2 billion, with a cumulative total of 4.23 million consumers.

2 It 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..

2) Synergy of domestic marketing platforms of Fosun Pharma

Fosun Pharma, a subsidiary of the Group, facilitated sales of HANLIKANG and other products through collaboration with the domestic marketing platforms and other sales channels and resources. It cooperated with Fosun Health, a subsidiary of Fosun Pharma, and domestic insurance companies of the Group to provide insurance customers with health management services and achieved win-win results within the ecosystem.

3) "Insurance +" ecosystem and industrial synergy

Pramerica Fosun Life Insurance deeply tapped into "insurance + healthcare" ecosystems and launched the product based on the Group's healthcare business: the "Xing Xiang Shou", which is a comprehensive elderly care solution facilitating the growth in the reserve of pensions with insurance products and provides high-quality elderly care services. During the Reporting Period, Pramerica Fosun Life Insurance sold 6,006 insurance policies, representing a year-on-year increase of 271% and its total premium achieved a year-on-year increase of 245%. Fosun United Health Insurance sold a total of 1,947 insurance policies orders, representing a year-on-year increase of 208%, and a year-on-year increase of 211% of the total premium of those policies orders.

During the Reporting Period, the number of newly registered members[3] of the Group reached 37 million. Meanwhile, through the active, effective and refined membership operation, the Group's consumer members[4] increased rapidly. The number of consumer members of the Group reached 14.58 million in the year, representing a year-on-year increase of 43%. The proportion of consumer members in C-end sales steadily improved. Consumer members contributed to 54.3% of sales revenue, representing an increase of 1 percentage point as compared to that in 2022.

Enhancing product competitiveness with technology innovation, and driving long-term sustainable development. The Group is fully aware of the power of technology and innovation, and has set up a global multi-dimensional innovation system through independent R&D, investment incubation, VC investment, institutional cooperation, patent licensing and the introduction of innovative products, pushing itself to the forefront of global innovation. During the Reporting Period, the Group invested a total of approximately RMB7.4 billion[5] in improving its technology innovation capabilities.

During the Reporting Period, the Health segment of the Group made achievements on various fronts of technology innovation. Various new drugs and indications were approved for launch. As at the end of 2023, the marketing authorization application for the innovative anti-PD-1 mAb HANSIZHUANG for first-line treatment of extensive-stage small cell lung cancer independently developed by Shanghai Henlius, a subsidiary of Fosun Pharma, a flagship company, was validated by the European Medicines Agency. It was approved by the Indonesia's National Agency for Drug and Food Control (BPOM) for treatment of extensive-stage small cell lung cancer, which is the first home-made anti-PD-1 mAb approved for marketing in Southeast Asian countries. In the future, HANSIZHUANG will continue to further develop its differentiated and multi-dimensional business on lung cancer, gastrointestinal tumor and other areas. The first CAR-T cell therapy Yi Kai Da of Fosun Kite, a joint venture of Fosun Pharma, had obtained conditional approval for marketing in the Chinese Mainland from the National Medical Products Administration for the treatment of second-line indications. The product is used to treat adult patients who have failed first-line immunochemotherapy or relapsed large B-cell lymphoma (r/r LBCL) 12 months after first-line immunochemotherapy. Thus far, Yi Kai Da for the treatment of the abovementioned indications has been prescribed to patients in cities across provinces including Hubei, Anhui and Guangdong, bringing hope to more patients. The home-made da Vinci Xi Surgical System developed and produced by Intuitive Fosun, an associate of Fosun Pharma, successfully passed the examination of NMPA and was officially launched. In December 2023, the first home-made da Vinci Xi surgical robot was officially put into use at the operating room of Sun Yat-sen University Cancer Center Gansu Hospital.

The Happiness segment of the Group also had highlights in scientific and technological innovation results. Jewelry & Fashion Group under Yuyuan, a flagship enterprise, introduced "Guyun Gold" (古韻金) products, over 30% of which adopted 3D printing, gold hardening, gold spot drilling and other innovative processes, improving the gross profit margin of relevant products by 10% year-on-year. The innovative technology also significantly enhanced the strength of the products. The "Guyun Gold" products are popular among young consumers. During the Reporting Period, the annual sales exceeded RMB8 billion. Culture & Catering Group under Yuyuan, deeply tapped into the technology for quantitative analysis of the degree to which pre-prepared dishes are restored to their original tastes. It led the formulation of the first group

3 It refers to those customers who have agreed to the official membership terms of the brand and granted privacy in any channel, and actively retained personal information including mobile phone numbers, so as to be identifiable, reachable and traceable.

4 It refers to consumers who have purchased or used products under the brand registered as members through any channels. Data of consumer members (including mobile phone numbers, consumption data and other data) shall be stored in the proprietary customer management system or private traffic management system of the brand.

5 It includes scientific research investment (expensed and capitalized), but excludes digitalization expenses.

standard on the pre-prepared noodle industry and participated in the preparation of two group standards on pre-prepared dishes in Shanghai. It joined hands with Jiangnan University in establishing a joint laboratory with the focus on high-quality rice and flour products and has achieved progress in preventing quick-frozen steamed buns from aging and cracking when freezing them.

Fosun Insurance Portugal, a flagship company under the Wealth segment of the Group, continued to build on its digital capabilities to drive the rapid growth of the insurance business. During the Reporting Period, MyFidelidade App launched by Fosun Insurance Portugal successfully acquired more than 1.6 million registered users (exceeding 15% of Portugal's total population). Claims settled digitally accounted for 60% of the total number of claims settled. In addition, 95% of the applications to Fosun Insurance Portugal for medical reimbursement were done through a digital channel and the adoption of Trusty, the robot for customer service dialogue, increased the automation rate to 80%. Nearly 2 million remote medical service consultations were recorded, of which online consultations on serious diseases accounted for 41%.

Wansheng under the Intelligent Manufacturing segment of the Group focused on the high molecular material sector, optimized the product mix with its market demand-oriented approach and constantly developed products with high performance. In 2023, product sales at its coating business increased by nearly 99%.

As at the end of 2023, the Group held a total of 1,241 authorized invention patents. With the support of the Group's global business presence and continuous innovation, these patents will consistently contribute to the Group's productivity.

Building the FES system to increase management effectiveness and business efficiency. 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 entrepreneurial values. FES can help enterprises foster a continuous improvement corporate culture, encouraging them to take up the challenge of meeting high expectations and actively expose and resolve problems in the business process.

In 2023, Fosun's FES system has been further developed to enable enterprises to rapidly improve their operation capabilities and create more value. During the Reporting Period, the FES system was rolled out across different business lines of the Group, with considerable results achieved through its in-depth application. With the continuous improvement and breakthrough of FES tools, the OPE (Overall Process Effectiveness) of the soft packaging line of Shede Spirits, a subsidiary of Yuyuan, improved from 44% to 62%; the UPPH (Units Per Person per Hour) increased from 60.15 to 82; and the line balance in lean production was enhanced from 25.2% to 68.93%.

As at the end of the Reporting Period, the Group completed certification and implementation of 51 FES tools, and a total of 1,116 experts were trained and certified. The certification project, which is driven by an expert-certified mechanism, aims at helping the Group create value. Meanwhile, during the Reporting Period, the Group appointed a total of 79 FES Leaders in two batches, covering 60 core enterprises of the Group, and supported the building of ancillary FES capabilities, further promoting the penetration and consolidation of the capability of building FES systems in enterprises. In 2023, there were 1,088 improvement projects, including 576 completed projects. There were 263 best practice cases of FES, which had been promptly shared and replicated among the enterprises of the Group to speed up improvement among them.

In 2024, the further development of FES system will enable the enterprises to rapidly respond to challenges in the global market and gain sustainable competitive advantages. Meanwhile, it will continue to create incremental value for enterprises by empowering the investment and financing activities as well as entrepreneurship systems, and further empower the development of the Group's member enterprises.

Pursuing excellence, Fosun has received worldwide recognitions for its ESG performance. The Group has always been adhering 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 ("**UN Global Compact**") for ten consecutive years, the Group, with a three-decade legacy of operations, fully supports the ten principles of UN Global Compact in the areas including human rights, labor, environment and anti-corruption, relentlessly integrating such principles into Fosun's ESG strategies and actively engaging its member companies in the implementation of ESG strategies.

In 2021, the Group made a commitment to society – "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050". Fosun has formulated strategies for effective climate change mitigation and adaptation to align with the 1.5°C temperature control target set in the *Paris Agreement*. In order to achieve Fosun's carbon peaking and carbon neutrality goal, the Group has established a Carbon Neutrality Committee and a Carbon Neutrality Working Group to actively promote further implementation and enforcement of carbon-neutral management within the Group. In April 2023, the Group issued its first Task Force on Climate-Related Financial Disclosures (TCFD) report, demonstrating its commitment to climate actions to the international community. In 2023, the Company successfully converted a syndicated loan into a sustainability-linked loan, which is the Company's first green syndicated loan and marks Fosun's efforts to raise green financing. In terms of social welfare undertakings, the Group made active response: in February 2023, a devastating earthquake hit Turkey.

Fosun Foundation joined hands with Tom Tailor, a German member company, and Fosun Trade to make a donation to Turkey, and became one of the first charitable forces in Shanghai to respond to the disaster. An emergency donation of over 2,000 items of materials in total was sent to the quake-hit areas in Turkey with a total value of RMB1 million. In addition, leveraging its innovation and global operation capability that have been developed over 30 years, the Group contributes "Chinese solutions" to global public welfare undertakings. Argesun, the second-generation artesunate for injection independently developed by Fosun Pharma, became the first artesunate injectable presented with a single solvent system approved by the WHO prequalification for the treatment of malaria. As at the end of 2023, it has saved over 68 million severe malaria patients worldwide and 258 million children in African countries have used oral antimalarial drugs.

In addition, the Group takes sustainable development as its priority. It has established internal open communication channels, and encouraged its employees and subsidiaries to share their knowledge and experiences in respect of sustainable development with each other. The Group's ESG Management Committee and ESG Working Group often conduct workshops to share the best ESG practices with its subsidiaries, thereby promoting the development of ESG projects in the subsidiaries. In May and September 2023, the Group's ESG Working Group conducted the ESG Global Network in London and Hong Kong. Together with external institutions, the meetings facilitated the ESG cooperation and exchange between the Group and its member companies, promoted the learning of experience in sustainable development between employees and member companies, enabled member companies to grasp the latest ESG industry trends, and empowered the enhancement of ESG management.

The Group has widely received recognition from professional institutions around the world for its excellence in ESG. As at the end of the Reporting Period, the Company maintained an MSCI ESG rating of AA and was the only conglomerate in Greater China with such rating. Its rating in the Hang Seng Sustainability Index was improved to AA– and it was selected as one of the constituents of Hang Seng Corporate Sustainability Index for the first time, which includes the top 30 Hong Kong-listed companies that have the best ESG performance. The Company has been selected as one of the constituents of the Hang Seng ESG 50 Index (Top 50 Mid-Large Cap) for three consecutive years. It has been included in the Hang Seng Corporate Sustainability Benchmark Index for four consecutive years, and such index consists of Hong Kong-listed companies with the most outstanding performance in corporate sustainability (Top 20% best performers in sustainable development). In addition, its FTSE ESG rating continued to rise, and was selected as one of the constituents of FTSE4Good Index Series. Its S&P Global Corporate Sustainability Assessment (CSA) score has also risen significantly, ranking among top the 6% of its peers around the world. The Company was also included in S&P Global's *Sustainability Yearbook 2024* and awarded the emblem of "Industry Mover" by S&P Global for the first time.

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 (Sisram) and healthcare services and consumption (Fosun Health). It adheres to the "4 IN" strategy (Innovation, Internationalization, Integration and Intelligentization) to continuously improve its product competitiveness and brand value. In recent years, with the evolution of social development and population aging, development opportunities have emerged in innovative drug R&D, innovative medical devices and medical diagnosis, and the demand for quality medical products and services has increased significantly. 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 multi-dimensional global leading scientific R&D 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 pharmaceutical manufacturing, medical devices, medical diagnosis and healthcare services, and it expands its presence in pharmaceutical business through its investment in Sinopharm Group Co., Ltd.. Putting patients first and orienting itself towards clinical needs, Fosun Pharma enriches its innovative product pipeline by adopting a model of diverse and multilevel 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 ecosystem, a forward-looking international business presence, 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 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 to jointly 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 product 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. Its production facility in Xuhui District, Shanghai has also received Good Manufacturing Practice ("**GMP**") certification in China and the European Union. Shanghai Henlius will explore innovation drugs with clinical orientation by leveraging its own innovation and R&D strength while maximizing the commercial value of biosimilars at home and abroad, so as to consolidate the internationalized capabilities of "integrating research, production and marketing", and achieve steady development at a larger, international and more profitable market for biopharma stage.

Sisram, a global beauty and wellness group with a history spanning over two decades, specializes in researching, developing, and applying technologies harnessed from energy sources and provides innovative solutions for medical aesthetics and related clinical indications. Sisram provides products and services to leading surgical, medical and beauty clinics worldwide. Sisram has diversified products and treatments portfolio, including hair removal and hair growth, skin rejuvenation, acne and acne scars, body & face contouring, pigmentation & skin resurfacing, fat grafting, dermal facial fillers, skin tissue remodeling injectables, personal care, and aesthetic dentistry. Its businesses include energy-based devices, injectables, aesthetic and digital dentistry, personal care, etc. The direct sales and distribution network of Sisram covers more than 100 countries/regions around the world.

Gland Pharma, a leading player in India's injectable manufacturing landscape, has been on an ambitious journey of growth and expansion. From its humble beginnings as a small-molecule manufacturer, Gland Pharma has evolved into a global powerhouse in over 60 countries. The company's main products, including heart, blood, infections, and the brain and spinal cord medicines, have been instrumental in this growth. Gland Pharma's commitment to R&D and manufacturing and strategic mergers, acquisitions, and partnerships has further fueled its expansion. In November 2020, Gland Pharma successfully listed in India, conducting the largest initial public offering (IPO) of approximately INR 64.5 billion in the Indian healthcare industry. This landmark event has not only demonstrated Gland Pharma's financial strength but also paved the way for its future growth and expansion. Gland Pharma's future strategy includes continued international R&D and strengthening its product portfolio in the Chinese market.

With the vision of becoming an "Asia's leading and world-class medical and healthcare technology group" and the mission of "making families healthier and live better", Fosun Health provides one-stop healthcare management services with a closed-loop solution for the whole disease process and integration of medicine and healthcare. Fosun Health provides one-stop health management services by building a medical service platform that combines comprehensive and specialized medical services and integrates online and offline services. Currently, Fosun Health is focusing on the businesses of medical group, smart healthcare and insurance empowerment. Through the offline medical institutions across the five economic zones of the Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region, Central China and the Chengdu-Chongqing area as well as a digital platform, Fosun Health provides users with online and offline integrated and accessible diagnostic and treatment solutions and healthcare management services, such as offline diagnosis and treatment, patient management, medical checkups and tests, inquiries and purchases of medicines, and health science popularization.

Fosun Care is a brand of the Group covering multi-level health and senior care services with a vision of "creating happier lives for families worldwide" by driving innovation and elevating service standards in the healthcare industry. There are three major brands under Fosun Care, namely "Starcastle", "Xingjian" and "Feng-Lin", covering senior care, integrated medical care, rehabilitation and nursing, community health, nursing, digital and intelligent platforms. Shanghai Zhuli, established in 2014, operates the brand "Fosun Care" and carries out its principal business through several invested entities, such as Shanghai Starcastle Senior Living Investment Management Co., Ltd.

HAPPINESS SEGMENT

The Group directs its focus on addressing the happiness-oriented consumption needs of family customers. Through the twin-driver strategy of "profound industry operations + industrial investment", the Group builds a globalized happiness ecosystem covering the whole value chain of the industry. Centering on brand consumption and tourism and leisure, the Group actively organizes teams of personnel, creates goods and arranges venues to meet customer needs directly. The platforms within the brand consumption business include Yuyuan, Lanvin Group and Fosun Sports, which engage in businesses such as jewelry and fashion, liquor and spirits, C-end platforms, fashion brands, food, catering, beauty and health, sports, cultural business and pet care. Meanwhile, FTG is the platform for the tourism and leisure business, engaging in four business segments including "Club Med and Others", "Atlantis Sanya", "Vacation Asset Management Center", and "Foryou Club and Other Services".

Yuyuan, with over 30 years history since its listing on the SSE, is one of the earliest witnesses, participants and contributors to China's capital market. After the completion of a major asset reorganization in 2018, Yuyuan became the flagship platform for Fosun's Happiness segment. Yuyuan takes the belief of "Oriental Lifestyle Aesthetics" as its priority, adheres to the strategy of developing business with the twin-driver of "Industry Operations + Industrial Investment", and owns 19 Chinese time-honored brands, a number of other leading brands, as well as some well-known global brands. In the context of the new pattern of domestic and international dual cycle, Yuyuan continues to accelerate its development in ecosystem, scientific and technological innovation, and globalization, launching the construction of a new landmark of Chinese culture and commerce – "Grand Yuyuan". This actively conveys the aesthetics of oriental life and the lifestyle of beauty, and conveys Chinese culture represented by oriental lifestyle aesthetics to the world.

As an important part of "happiness consumption", "a bottle of good liquor" is also a sign of the enrichment of the Group's ecosystem of businesses oriented towards the needs of families worldwide. For Shede Spirits, a platform-based enterprise of the Group's liquor and spirits businesses, is principally engaged in the design, manufacturing 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 the "aged spirits strategy", the "multi-brand matrix strategy", the "younger generations marketing strategy" and the "internationalization strategy", adhering to long-termism and altruistic customer-oriented mindset, focusing on improving brand awareness and actively increasing market share. Shede Spirits' mission is to "enrich the family life worldwide and showcase the beauty of Chinese liquor and spirits", and it has a vision of "becoming an innovation-driven world-class liquor and spirits enterprise with leading cultural influence and a sustainable ecosystem".

FTG is a global leader in family leisure and tourism and is an integral part of the Happiness segment. With a mission of "Better Holiday, Better Life", FTG endeavors to pioneer holiday lifestyle and create a world-leading family leisure and tourism ecosystem. Its brands and products include: Club Med, a world leader in high-end, experience-oriented all-inclusive vacations for families and couples alike, operating more than 60 resorts around the world; Atlantis Sanya, a one-stop high-end comprehensive resort destination with marine as the theme; Taicang Alps Resort, offering various themed experiences and tourism features with the theme of "Alps"; Lijiang Club Med Resort, an international tourism destination targeting mid-to-high-end customers; and Fosun Tourism's global membership operating platform Foryou Club.

Lanvin Group is a global luxury fashion group and has been listed on the NYSE under stock code LANV since December 2022. The group manages iconic brands worldwide including Lanvin, one of the oldest operating French couture houses; Austrian luxury skinwear specialist Wolford; Italian luxury shoemaker Sergio Rossi; iconic American womenswear brand St. John; and high-end Italian menswear maker Caruso. Harnessing the power of its unique strategic alliance of industry-leading partners in the luxury fashion sector, Lanvin Group strives to expand the global footprint of its portfolio brands and achieve sustainable growth through strategic investment and industrial operation, combined with an intimate understanding and unparalleled access to the fastest-growing luxury fashion markets in the world.

WEALTH SEGMENT

The Group's Wealth segment mainly consists of underlying financial assets with insurance as its core business. On the basis of achieving synergy between the insurance business and asset allocation, it leverages the Group's profound industrial operation capabilities and global investment capabilities to build an ecosystem of its global asset management businesses, thereby contributing to the industrial advancement of the Health, Happiness and Intelligent Manufacturing segments. 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, Pramerica Fosun Life Insurance and Fosun United Health 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.

Fosun Insurance Portugal is a global insurance operator with a broad Life and non-Life products. It benefits from the largest and most diversified insurance sales network in Portugal, comprised exclusive and multi-brand agents, brokers, own branches, internet and telephone channels, and a strong distribution system with Caixa Geral de Depósitos S.A., a leading Portuguese bank. Its international business covered 13 countries.

Peak Reinsurance is a Hong Kong-based global reinsurer established in 2012. Authorized by the Insurance Authority of Hong Kong under the *Insurance Ordinance* (Cap. 41), Peak Reinsurance conducts property & casualty and life & health reinsurance services. Since its establishment in 2012, Peak Reinsurance has been committed to providing 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. It was formally established in September 2012. Both shareholders hold a 50% equity interest in the joint venture. The businesses of Pramerica Fosun Life Insurance include life insurance, health insurance, accident insurance, and reinsurance business for the above-mentioned businesses in Chinese Mainland. Pramerica Fosun Life Insurance is committed to becoming a "successful and unique" life insurance company for providing customers with high-quality life insurance services throughout the life cycle.

Fosun United Health Insurance, established in January 2017, is the sixth professional health insurance company in China jointly founded by the Group and five other companies. Fosun United Health Insurance focuses on family customers and takes "protecting the healthy life of hundreds of millions of Chinese families" as its mission. It explores the creation of an "insurance + service" model that ranges from insurance coverage for the sick to good medical care for the sick, and combines medical care and prevention, so as to form a comparative advantage in the competition of niche markets, and is committed to becoming a leading professional, specialised and ecologically integrated health solution provider in China.

Established in 2007, Fosun Capital is an equity investment and management company wholly owned by the Group. It is a leading private equity investment institution in the industry focusing on four major areas: new materials and intelligent manufacturing, digital economy and broad consumption, carbon peaking and carbon neutrality economy, and new generation information technology. In the past 16 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, and it is also one of the investment institutions with the greatest industry expertise in China. With a long-term focus on high-growth, high-tech companies in major economic growth regions worldwide, Fosun RZ Capital has developed an influential ecosystem for innovation at globalized industries.

HAL is a high-growth private bank in Germany with a history of nearly 230 years and one of the few independent, fully licensed banks in Germany, Austria and Switzerland region. HAL adopts a diversified and asset-light business model for its four core business areas including private & corporate banking, asset management, asset servicing and investment banking. With branches in Germany, Luxembourg, Ireland and China, and coverage of two of the large European fund management centers in Luxembourg and Ireland, HAL also actively develops its business cooperation in Chinese Mainland to vigorously grow its business globally.

BCP is a Portuguese bank that operates and acts with respect for people and institutions, carrying out a variety of banking services and financial activities where it operates. It mainly provides commercial banking products and services, as well as services in other market segments, such as investment banking and private banking. As the largest privately-owned bank in Portugal, BCP has also been strengthening its position in emerging markets in Europe and Africa, especially in Poland, Mozambique and Angola which share deep historical ties with Portugal. BCP also owns a leading digital bank named "ActivoBank".

INTELLIGENT MANUFACTURING SEGMENT

Intelligent manufacturing segment of the Group focuses on strategic resources, functional new materials and intelligent manufacturing industries, and will continue to consolidate and enhance its industry position. The Group's business of minerals, oil and gas, which is represented by Hainan Mining, continues to maintain steady growth; its new materials business, represented by Wansheng, continues to maintain its leading position in the industry segments. Meanwhile, with a boom in the intelligent manufacturing services, which is represented by Easun Technology, other companies in the Group's Intelligent Manufacturing sector are expected to reap dividends from the rapid development of the industry.

Hainan Mining was listed on the SSE in December 2014. Hainan Mining has been deeply engaged in the iron ore industry for many years and its iron ore products have enjoyed a long-standing reputation for good quality and is the best among the domestic steel industry. To further enhance Hainan Mining's capabilities for sustainable development and diversify the risk of cyclical fluctuations arising from its sole business of iron ore, the Group injected its 51% and 49% equity interests in ROC, a company with world-class whole-cycle upstream oil and gas operations, into Hainan Mining respectively in 2019 and 2023, thus assisting Hainan Mining in building the dual principal operation of "iron ore + oil and gas". By implementing lean management, technology innovation, industrial investment and other means, it has stabilized its production volume of iron ores, oil and gas, reduced costs, improved efficiency, and continued to strengthen the industrial foundation of "iron ore + oil and gas". At the same time, based on its strategic goal of building up three main tracks of "iron ore + oil and gas + new energy" in the future, Hainan Mining has proactively facilitated the investment, merger and acquisition in the upstream of the new energy industry. The 20,000-tonne lithium hydroxide project in Yangpu, Hainan has been on the fast track to completion. The acquisition of the Bougouni lithium mine project in Mali, Africa has been completed and the construction of the project has started. An integrated upstream business of the new energy industry has taken shape.

Wansheng was 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. Wansheng has formed a good development trend and has gradually developed the flame retardant business as its mainstay business, while developing various other businesses such as amine additives, catalyst and coating additives, family and personal care material additives. For its future development, Wansheng has classified its businesses into three segments, namely "core businesses" such as the polymer additives business which will consolidate its foundation and allow it to grow stronger and larger; "developing businesses" such as the amines and daily chemical raw materials businesses which will gradually optimize their product portfolio, expand market shares, and strive to become leading functional daily chemical raw materials-producing enterprises in China; and "strategically important businesses" such as the electronic chemicals business, biotechnology business and new energy materials business, which will continue to promote 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. Wansheng will consolidate its resources, enhance its advantages and strive to become "the world's leading enterprise of functional new materials" driven by a low-carbon-emission approach and innovation.

Established in 2018, Easun Technology acquired a 100% equity interest in FFT GmbH & Co. KGaA, a German company, which is one of the major providers of intelligent manufacturing solutions in the automobile industry in the world, in 2019. Easun Technology has been focusing on the development of two core businesses in the global market: (i) the R&D and production of industrial 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 its industrial digitalization business to provide customers with intelligent factory solutions that cover all aspects of production. Easun Technology strives to become the world's leading provider of intelligent manufacturing solutions by expanding its automated production line business, strengthening its business of special equipment, and conducting global refined operations.

PROSPECT FOR 2024

After more than three decades of development, the Group has established four core industries of Health, Happiness, Wealth and Intelligent Manufacturing, and has accumulated strong global operational capabilities. Since 2020, the Group has reinforced its focus on household consumption as the priority sector based on its existing business development, and has gradually divested non-strategy and non-core businesses. The Group has continuously improved industrial operation capabilities and increased investment in scientific research and development to seize global development opportunities. Despite the challenges posed by the global economy and capital markets in the past several years, the Group has maintained an upward trend in terms of overall business performance, attesting to the quality and resilience of the Group's asset base. With the continuous focus on the core businesses and the continued growth of its core enterprises, the management believes that the Group is well on track to increase the recurring profit and enhance the distribution of dividend gradually. In future, the Group will welcome a new phase of high-quality development.

BUSINESS REVIEW

During the Reporting Period, the revenue of the Group amounted to RMB198,200.3 million, representing an increase of RMB15,774.5 million, or 8.6%, compared to the same period of 2022. On the segment level, during the Reporting Period, the revenue of Health, Happiness, Wealth and Intelligent Manufacturing segments reached RMB46,314.4 million, RMB88,946.4 million, RMB51,779.5 million and RMB12,755.6 million, respectively, representing a year-on-year decrease of 3.5%, increase of 25.7%, decrease of 5.4% and increase of 23.2%, respectively. From the perspective of product lines, during the Reporting Period, revenue of pharmaceutical, devices and diagnosis, and healthcare services and consumption subsectors of the Health segment represents 65%, 9% and 26% of the total Health segment revenue of the Group, respectively; revenue of brand consumer and tourism and leisure of the Happiness segment represents 80% and 20% of the total Happiness segment revenue of the Group, respectively; revenue of insurance, asset management (property), asset management (investment) of the Wealth segment represents 72%, 12% and 16% 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 40% and 60% of the total Intelligent Manufacturing segment revenue of the Group, respectively.

REVENUE BY SEGMENT OF THE GROUP

Unit: RMB million

Segment	For the year ended 31 December 2023	Proportion	For the year ended 31 December 2022 (Restated)	Proportion	Change over the same period of last year
Health	**46,314.4**	**23.2%**	48,001.3	26.1%	(3.5%)
Happiness	**88,946.4**	**44.5%**	70,739.5	38.5%	25.7%
Wealth	**51,779.5**	**25.9%**	54,754.8	29.8%	(5.4%)
Insurance	**37,453.6**	**18.7%**	39,460.1	21.5%	(5.1%)
Asset Management	**14,325.9**	**7.2%**	15,294.7	8.3%	(6.3%)
Intelligent Manufacturing	**12,755.6**	**6.4%**	10,355.6	5.6%	23.2%
Eliminations	**(1,595.6)**		(1,425.4)		
Total	**198,200.3**	**100.0%**	182,425.8	100.0%	8.6%

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

As at the end of the Reporting Period, equity attributable to owners of the parent of the Group amounted to RMB124,936.8 million, while such indicator was RMB120,733.7 million in the end of 2022. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB1,379.1 million.

Unit: RMB million

Segment	For the year ended 31 December 2023	Proportion	For the year ended 31 December 2022 (Restated)	Proportion	Change over the same period of last year
Health	**580.2**	**39.0%**	1,348.7	N/A	(57.0%)
Happiness	**(263.9)**	**(17.7%)**	1,561.4	N/A	(116.9%)
Wealth	**237.3**	**15.9%**	(4,880.3)	N/A	104.9%
Insurance	**790.2**	**53.1%**	(2,969.5)	N/A	126.6%
Asset Management	**(552.9)**	**(37.2%)**	(1,910.8)	N/A	71.1%
Intelligent Manufacturing	**934.1**	**62.8%**	1,201.9	N/A	(22.3%)
Eliminations	**(108.6)**		(63.5)		
Total	**1,379.1**	**100.0%**	(831.8)	N/A	265.8%

ASSET ALLOCATION OF THE GROUP

As at the end of the Reporting Period, total assets of the Group amounted to RMB808,387.6 million, representing an increase of 0.2% compared to the end of 2022.

Unit: RMB million

Segment	As at 31 December 2023	Proportion	As at 31 December 2022 (Restated)	Proportion	Change over the end of 2022
Health	**126,769.7**	**15.5%**	120,454.2	14.7%	5.2%
Happiness	**196,771.0**	**24.1%**	200,118.0	24.5%	(1.7%)
Wealth	**453,982.0**	**55.6%**	448,664.3	55.0%	1.2%
Insurance	**186,423.7**	**22.8%**	179,551.3	22.0%	3.8%
Asset Management	**267,558.3**	**32.8%**	269,113.0	33.0%	(0.6%)
Intelligent Manufacturing	**39,712.3**	**4.8%**	47,424.5	5.8%	(16.3%)
Eliminations	**(8,847.4)**		(10,284.8)		
Total	**808,387.6**	**100.0%**	806,376.2	100.0%	0.2%

CORPORATE STRUCTURE OF MAIN BUSINESS[1] (AS OF 31 DECEMBER 2023)

Health[2]

Pharmaceutical
- Fosun Pharma 600196.SH 02196.HK 36.07%
- Shanghai Henlius 02696.HK
- Gland Pharma (India) GLAND
- Sinopharm 01099.HK

Devices & Diagnosis
- Sisram (Israel) 01696.HK

Healthcare Services & Consumption
- Fosun Health
- Luz Saúde[5] (Portugal) 99.86%
- Shanghai Zhuli[6] (Fosun Care) 90.91%
- Sanyuan Foods[7] 600429.SH 18.20%
- BabyTree[8] 01761.HK 29.90%

Happiness[3]

Brand Consumer
- Yuyuan 600655.SH 61.85%
- Shede Spirits 600702.SH
- Jinhui Liquor 603919.SH
- Fosun Sports (Luxembourg) 92.01%
- Baihe Jiayuan 72.36%
- Bohe Health[9] 29.85%
- Lanvin Group[10] LANV.NYSE 58.65%
- St Hubert[11] (France) 98.12%

Tourism & Leisure
- FTG 01992.HK 78.21%
- Club Med (France)
- Atlantis Sanya
- Foryou Club

Wealth

Insurance
- Fosun Insurance Portugal (Portugal) 84.9892%
- Peak Reinsurance 86.71%
- Pramerica Fosun Life Insurance 50%
- Yong'an P&C Insurance 14.69%
- Fosun United Health Insurance 20%

Asset Management (Investment)
- HAL (Germany) 99.69%
- Guide[12] (Brazil) 85.61%
- Fosun Wealth 100%
- Fosun Capital 100%
- Shanghai Insight[13] (Fosun RZ Capital) 100%
- BCP[14] (Portugal) BCP.LS 25.99%
- Cainiao 3.67%

Asset Management (Property)
- 28 Liberty (USA) 100%
- BFC 100%
- IDERA (Japan) 98%
- PAREF (France) PAR.PA 59.87%

Intelligent Manufacturing[4]

Resources & Environment
- Hainan Mining 601969.SH 45.80%
- ROC (Australia)

Technology & Intelligent Manufacturing
- Easun Technology[15] 82.42%
- Wansheng 603010.SH 29.56%
- JEVE[16] 49.95%

Notes:

1. This simplified corporate structure only illustrates the key investments of the Group. The equity percentage reflects the total direct shareholdings held by the Group, associates, joint ventures and limited partnerships managed by the Group as at 31 December 2023. The companies marked in the solid line boxes are consolidated entities of the Group, and the companies marked in the dotted-line boxes are non-consolidated entities of the Group. The companies marked in the shaded boxes are channels for C-end top priority of the Group.

2. The companies marked in the light-blue boxes are invested by Fosun Pharma. For specific information, please refer to the disclosure of Fosun Pharma.

3. 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.

4. The company marked in the light-purple box is invested by Hainan Mining. For specific information, please refer to the disclosure of Hainan Mining.

5. Fidelidade held 99.86% equity interest in Luz Saúde. Therefore, the Group held 84.87% effective equity interest in Luz Saúde.

6. Shanghai Zhuli operates "Fosun Care" brand. The Group through its wholly-owned subsidiaries held 87.35% equity interest and through its non-wholly-owned subsidiary held 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.

7. The Group through its wholly-owned subsidiary held 14.46% equity interest and through a consolidated fund under its management held 3.74% equity interest, respectively, in Sanyuan Foods. The Group held 37.20% effective equity interest in such fund. Therefore, the Group held 15.85% effective equity interest in Sanyuan Foods.

8. The Company and its wholly-owned subsidiary held 29.77% equity interest in BabyTree, and Fidelidade held 0.14% equity interest in BabyTree. Therefore, the Group held 29.88% effective equity interest in BabyTree.

9. The Group through its wholly-owned subsidiary held 24.49% equity interest in Bohe Health, and through a subsidiary in which the Group held 80.81% effective equity interest, held 4.48% equity interest in Bohe Health. In addition, Yuyuan through its wholly-owned subsidiary held 0.88% equity interest in Bohe Health. Therefore, the Group held 28.65% effective equity interest in Bohe Health.

10. The Company and its wholly-owned subsidiary held 54.46% equity interest in Lanvin Group, and Yuyuan through its wholly-owned subsidiary held 4.19% equity interest in Lanvin Group. Therefore, the Group held 57.05% effective equity interest in Lanvin Group.

11. The Group through a subsidiary, in which the Group held 51% equity interest, held 98.12% equity interest in St Hubert SAS. Therefore, the Group held 50.04% effective equity interest in St Hubert SAS. As at the date of this announcement, St Hubert SAS has cancelled its treasury shares, the Group held through a subsidiary, in which the Group held 51% equity interest, held 100% equity interest in St Hubert SAS.

12. In February 2024, the Group entered into an agreement to dispose all its equity interest in Guide. As at the date of this announcement, the transaction has not been completed.

13. Shanghai Insight Investment Management Limited exclusively uses "Fosun RZ Capital" brand.

14. In January 2024, the Group entered into an agreement to sell 846,000,000 shares of BCP. As at the date of this announcement, the transaction has been completed and the Group held 20.03% equity interest in BCP.

15. The Group through its wholly-owned subsidiaries and the consolidated fund under its management held 49.77% equity interest in Easun Technology. Therefore, the Group held 44.40% effective equity interest in Easun Technology. Additionally, the non-consolidated entities in which the Group participated in the investment held 32.66% equity interest in Easun Technology.

16. The Group through its wholly-owned subsidiary and the consolidated fund under its management held 18.41% equity interest in JEVE. Therefore, the Group held 16.61% effective equity interest in JEVE. Additionally, the non-consolidated entities in which the Group participated in the investment held 31.53% equity interest in JEVE.

Health

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

Unit: RMB million

	For the year ended 31 December 2023	For the year ended 31 December 2022	Change over the same period of last year
Revenue	**46,314.4**	48,001.3	(3.5%)
Profit attributable to owners of the parent	**580.2**	1,348.7	(57.0%)

During the Reporting Period, the revenue of the Health segment amounted to RMB46,314.4 million, representing a year-on-year decrease of 3.5%. Profit attributable to owners of the parent of the Health segment amounted to RMB580.2 million, representing a year-on-year decrease of 57.0%. The decrease in revenue of the Health segment was mainly attributable to the significant decrease in the demand of Covid-related products of Fosun Pharma but partially offset by the increase in revenue from Luz Saúde, resulting in a slight decrease of 3.5% year-on-year. The decrease in profit of the Health segment was mainly attributable to the decrease in profit of Fosun Pharma.

Fosun Pharma

As at the end of the Reporting Period, the Group held 36.07% equity interest in Fosun Pharma.

During the Reporting Period, the revenue of Fosun Pharma amounted to RMB41,249 million, representing a decrease of 5.85% as compared to the same period of last year. The year-on-year change was mainly due to the significant year-on-year decline in revenue from COVID-related products, including Comirnaty (mRNA COVID-19 vaccine), Jie Bei An (azvudine tablets), COVID-19 antigen and nucleic acid test kits, as the COVID-19 no longer constituted a "Public Health Emergency of International Concern".

Excluding COVID-related products, the revenue of Fosun Pharma during the Reporting Period recorded a year-on-year increase of approximately 12.43%. In particular: (1) in respect of the pharmaceutical manufacturing segment, the revenue from key products such as HANSIZHUANG (serplulimab injection), trastuzumab injection (trade name in Chinese mainland: HANQUYOU) and Su Ke Xin (avatrombopag maleate tablets) maintained rapid growth. Upon being approved for launch in March 2022, HANSIZHUANG achieved revenue of RMB1,120 million during the Reporting Period, representing a year-on-year growth of 230.20%; trastuzumab injection achieved revenue of RMB2,749 million, representing a year-on-year growth of 58.19%[6]; Su Ke Xin (avatrombopag maleate tablets) achieved revenue of RMB922 million, representing a year-on-year growth of 19.67%; Otezla (apremilast tablets), Akynzeo (netupitant and palonosetron hydrochloride capsules) and other drugs were included in the National Medical Insurance Drugs Catalogue (officially executed in March 2023); (2) in respect of the medical devices segment, the market demand of non-invasive ventilators for medical and home use (including Clearway 2 and others) in Europe and America recorded recovery growth.

During the Reporting Period, Fosun Pharma's net profit attributable to shareholders of the listed company amounted to RMB2,399 million, representing a year-on-year decrease of 35.8%. In particular, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB2,011 million, representing a year-on-year decrease of 48.08%, which was mainly due to the following factors:

(1) Impacts of COVID-related products: ① COVID-related products and assets with indications of impairment were disposed, and impairment provisions were made, totaling approximately RMB683 million; ② with a significant decline in revenue from COVID-related products, profits decreased accordingly; ③ there were still expenses arising from the team, medical and market activities for COVID-related operations during the Reporting Period.

(2) Finance costs increased by RMB361 million year-on-year as a result of USD interest hikes, USD appreciation and other factors, as well as the changes in interest-bearing liabilities scale.

(3) As a result of the increasing human resources cost, consultation fees and other expenses, the administrative expenses recorded a year-on-year increase of RMB579 million; excluding the effects from newly acquired companies, the administrative expenses increased by RMB296 million on the same basis.

(4) As a result of the impacts of the costs and amortization of the acquisition of Cenexi by Gland Pharma, and operating losses of Cenexi, net profits recorded a year-on-year decrease.

During the Reporting Period, Fosun Pharma recorded extraordinary gain or loss of RMB388 million, which mainly included the gains from the disposal of non-core assets such as Tianjin Pharma and the gains from changes in fair value of financial assets such as YSB, representing a year-on-year increase of RMB524 million.

6 Revenue from trastuzumab injection included sales revenue from preparations in Chinese mainland (trade name in Chinese mainland: HANQUYOU) and sales revenue from drug substance in overseas markets.

During the Reporting Period, the total R&D expenditure of Fosun Pharma amounted to RMB5,937 million, representing a year-on-year increase of 0.88%. In particular, R&D expenses amounted to RMB4,346 million, representing a year-on-year increase of 1.02%.

During the Reporting Period, the pharmaceutical manufacturing segment of Fosun Pharma generated revenue of RMB30,080 million, representing a year-on-year decrease of 2.00%. In particular, excluding COVID-related products, the revenue of the pharmaceutical manufacturing segment of Fosun Pharma recorded a year-on-year increase of 13.47%, which was mainly due to the revenue from new products and sub-new products (excluding COVID-related products) maintaining rapid growth.

During the Reporting Period, the segment results of the pharmaceutical manufacturing segment amounted to RMB2,134 million, representing a year-on-year decrease of 43.77%, and segment profits amounted to RMB1,974 million, representing a year-on-year decrease of 42.26%, which was mainly due to: (1) the impacts of COVID-related products: ① COVID-related products and assets with indications of impairment were disposed, and impairment provisions were made, totaling approximately RMB569 million; ② with a significant decline in revenue from COVID-related products, profits decreased accordingly; ③ there were still expenses arising from the team, medical and market activities for COVID-related operations during the Reporting Period; (2) as a result of the impacts of the costs and amortization of the acquisition of Cenexi by Gland Pharma, and operating losses of Cenexi, net profits recorded a year-on-year decrease; (3) the investment in commercialization preparations before the launch of serplulimab injection (PD-1 inhibitor) in the United States market.

During the Reporting Period, the R&D expenditures in the pharmaceutical manufacturing segment of Fosun Pharma amounted to RMB5,172 million, representing a year-on-year increase of 1.47%. R&D expenditures in the pharmaceutical manufacturing segment accounted for 17.19% of the revenue from the pharmaceutical manufacturing segment. In particular, R&D expenses amounted to RMB3,638 million, accounting for 12.09% of the revenue from the pharmaceutical manufacturing segment.

During the Reporting Period, 6 innovative drugs with a total of 8 indications and 29 generic drugs varieties of Fosun Pharma (including import drug licenses but excluding 13 generic drugs preparations approved for launch by the United States FDA of Gland Pharma) were approved for launch. 5 innovative drugs/biosimilars with a total of 7 indications[7] and 64 generic drugs varieties (including import drug licenses but excluding overseas applications of Gland Pharma) had applied for launch. In addition, a total of 20 innovative drugs/biosimilars (indications) were approved for clinical trials (calculated by indications) during the Reporting Period.

During the Reporting Period, Fosun Pharma recorded revenue of RMB4,386 million from the medical devices and medical diagnosis segment, representing a year-on-year decrease of 36.74%. Excluding COVID-related products, the revenue growth on the same basis was 4.25%. During the Reporting Period, the segment results of the medical devices and medical diagnosis segment amounted to RMB-126 million, representing a year-on-year decrease of RMB647 million; and segment profits amounted to RMB-33 million, representing a year-on-year decrease of RMB804 million due to (1) the impacts of COVID-19 antigen and nucleic acid test kits: ① the disposal of and impairment provisions for inventory products and related assets, and ② the impacts on profits as a result of the significant decrease in revenue; (2) the sales of non-COVID operations of medical diagnosis business were lower than expected; (3) the periodical impact on the business performance as a result of the establishment of new direct sales offices in the United Kingdom, Dubai and other regions, the transition from a distribution model to a direct sales model and the increase in costs related to the brand ambassador project of Sisram.

During the Reporting Period, the revenue from the healthcare services segment amounted to RMB6,667 million, representing a year-on-year increase of 9.73%. Segment results amounted to RMB-201 million, representing a year-on-year decrease in loss of RMB421 million. Segment profits amounted to RMB-440 million, representing a year-on-year decrease in loss of RMB352 million. The main reasons for the year-on-year decrease in loss included the further focus and optimized expenses of online business, as well as the significant cost reduction through the centralized procurement of drugs and devices.

During the Reporting Period, Fosun Pharma continued to implement its internationalization strategy in multiple dimensions including innovative R&D, license-in projects, production and operation as well as commercialization. Fosun Pharma enhanced its operational efficiency and expanded global market layout, primarily covering the United States, Europe, Africa, India, Southeast Asia and other overseas markets.

7 Including the biologics license application (BLA) for trastuzumab injection, which is independently developed by Fosun Pharma, in the United States submitted by Accord BioPharma Inc., a partner of Fosun Pharma.

In matured regulatory markets, Fosun Pharma continued to enhance its global operation capabilities. It has set up multi-point R&D centers to realize global innovation, and gradually improved the commercialization system in different regulated markets through self-establishment, cooperation and other means. In the United States market, Fosun Pharma has established a growing self-operated generic drug team, and cooperated with 5 major distributors and 16 group purchasing organizations to facilitate sales of preparations products. Fosun Pharma also established an innovative drug team in the United States, and initiated the preparation works on the commercialization of serplulimab injection (PD-1 inhibitor). In the European market, during the Reporting Period, Gland Pharma, a subsidiary, completed the acquisition of Cenexi, a European CDMO company, so as to strategically establish its CDMO business presence in the European market and build up local manufacturing capabilities in Europe, thus further expand its customer base. During the Reporting Period, Sisram, a subsidiary, completed the acquisition of the direct sales channels in China, thus achieving a direct sales layout in the Chinese market for the medical aesthetics business. As at the end of the Reporting Period, its marketing network covered more than 100 countries and regions across the world, and the proportion of direct sales revenue further increased to 78%. The marketing network of Breas Medical Holdings AB, a subsidiary, covers Europe, the United States, China, Japan, India and Australia and etc., and has continued to deepen local manufacturing based on the market demand in China. The construction of Intuitive Fosun Medical Robot Manufacturing and R&D Center in Shanghai of Intuitive Fosun, an associate, has been progressing rapidly. Upon completion of the construction, the center will be the second global R&D and manufacturing base of Da Vinci Surgical Robot in addition to the base in Silicon Valley, the United States, thus facilitating the domestic manufacturing of Da Vinci Surgical Robot in Chinese mainland.

As for emerging markets, in Africa, Fosun Pharma primarily conducts medical product export and distribution in the English-speaking and French-speaking regions in Sub-Saharan Africa, with sales network covering over 40 countries and regions. Fosun Pharma is constructing a park integrating drug R&D, manufacturing, logistics and delivery in Cote d'Ivoire, aiming to realize local drug manufacturing and supply in Africa.

Shanghai Henlius

As at the end of the Reporting Period, the Group indirectly held 59.56% equity interest in Shanghai Henlius.

Shanghai Henlius continued to improve the establishment and layout of the integrated platform of R&D, production and commercialization in 2023. During the Reporting Period, it efficiently promoted the commercialization of products and achieved first semi-annual profit and first annual profit. The clinical development and drug registration of pipeline products and international production capacity were orderly promoted.

Shanghai Henlius has strong global product commercialization capabilities. 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, Shanghai Henlius' commercialization team was of nearly 1,500 people. With a solid new drug pipeline and a rapid clinical advancement strategy, as at 19 March 2024, being the latest practicable date for the publication of Shanghai Henlius' 2023 annual results announcement (the "**Shanghai Henlius LPD**"), 5 products (19 indications) of Shanghai Henlius have been successfully marketed in Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions of the PRC), and 2 products have been successfully marketed in Europe, Australia, Indonesia and other counties/regions. During the Reporting Period, the third and fourth indications for extensive-stage small cell lung cancer (ES-SCLC) and esophageal squamous cell carcinoma (ESCC) of HANSIZHUANG applied for marketing in Chinese Mainland have been approved; the new drug application for extensive-stage small cell lung cancer (ES-SCLC) indication was accepted by the European Medicines Agency (EMA) and approved by the Indonesia's National Agency for Drug and Food Control (BPOM) during the Reporting Period, which demonstrated the successful exploration in the international market had opened a new chapter in HANSIZHUANG benefiting patients worldwide. As a representative domestic biologic to "go global", HANQUYOU has successfully been approved for marketing in over 40 countries and regions, including the United Kingdom, Germany, Spain, France, Italy, Switzerland, Australia, Singapore, Argentina, Brazil, etc., and its new drug applications in the United States and Canada have also been accepted. During the Reporting Period, core products continued to expand its sales, and Shanghai Henlius recorded an operating income of RMB5,394.9 million, representing an increase of 67.8% compared to the same period in the last year; the profit was approximately RMB546.0 million, and a loss of approximately RMB695.3 million in 2022.

During the Reporting Period, based on clinical needs, Shanghai Henlius has orderly organised the development of innovative products. As at the Shanghai Henlius LPD, Shanghai Henlius has carried out a total of more than 30 clinical trials in an orderly manner in various countries/regions across the world, and achieved significant progress in 11 clinical trials and obtained 8 clinical trial approvals during the Reporting Period. By centering on patients' needs, with the clinical value-oriented early R&D, Shanghai Henlius coordinated with early R&D teams in China and the United States, based on new drug discovery platforms driven by deep data and biocomputing accelerated molecular design technology, to continue to develop high-quality and affordable innovative drugs to treat complex diseases with the help of network biology and polypharmacology. As at the Shanghai Henlius LPD, Shanghai Henlius has a total of 59 molecules (including 48 innovative drugs and 11 biosimilar drugs) in its pipeline and 18 R&D platforms, with the forms of drug covering monoclonal antibody, bispecific antibody, ADC, recombinant protein and small molecule-drug conjugates, etc.. During the Reporting Period, Shanghai Henlius recognized expensed R&D expenditure of approximately RMB1,118.7 million, representing a decrease of approximately RMB275.8 million as compared to approximately RMB1,394.5 million in 2022.

As at the end of the Reporting Period, Shanghai Henlius, with a total commercial production capacity of 48,000L (including the Xuhui Facility with a commercial production capacity of 24,000L and Songjiang First Plant with a commercial production capacity of 24,000L), has fully supported the commercialization needs of products approved for marketing in Chinese Mainland and overseas. During the Reporting Period, the production lines of HANSIZHUANG, HANLIKANG and HANQUYOU in the Xuhui Facility have successively passed the pre-approval GMP inspection of related products by the drug and health supervision agencies in Indonesia, Brazil and the Netherlands. Among them, the production lines of drug substance and drug product of HANSIZHUANG have passed the GMP certification of the Netherlands, an EU Member State, marking that such production lines have met the EU GMP standards. During the Reporting Period, Songjiang First Plant accepted the Pre-License Inspection (PLI) of HANQUYOU by the FDA, and at Songjiang First Plant, the Process Performance Qualification (PPQ) batches productions of products such as HLX04-O, HLX11 and HLX14 drug substance were completed, and the product commercialization process was steadily advanced. Shanghai Henlius will 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

As at the end of the Reporting Period, the Group indirectly held 57.86% equity interest in Gland Pharma.

Gland Pharma has a track record of building its global scale through the B2B model. Its B2B model covers intellectual property-led technology transfer and contract manufacturing models. Gland Pharma also targets end consumers such as hospitals, nursing homes, and government agencies in the Indian market through its B2C model. Gland Pharma is now strengthening its presence in complex injectables and enhancing its CDMO business. In April 2023, Gland Pharma through its wholly-owned subsidiary in Singapore, entered into a share purchase agreement to acquire a 100% equity interest in Cenexi. Cenexi and its subsidiaries are engaged primarily in CDMO of pharmaceutical products with expertise in sterile liquid and lyophilized fill-finished drugs, including capabilities in oncology and complex products. It has a presence across four European manufacturing sites, including three in France and one in Belgium. Cenexi provides Gland Pharma access to know-how and development capabilities in sterile forms, including niche technologies. This acquisition will accelerate Gland Pharma's global presence and further solidify its reputation and positioning as a pure-play, injectable-focused CDMO company.

During the Reporting Period, Gland Pharma's consolidated revenue, including Cenexi, was USD594 million, representing a year-on-year increase of 25%. This growth is a testament to Gland Pharma's expanding global presence across key markets, including the U.S., Canada, Europe, Australia and India. The company has strategically expanded its business presence in the rest of the world (ROW) markets to strengthen its global position further. The core markets, which include the U.S., Europe, Canada, Australia and New Zealand, have contributed 73% of the total revenue. The ROW markets and the Indian business have contributed 21% and 6% of the revenue, respectively. Gland Pharma's commitment to further progress in China is evident from its first set of approvals for dexrazoxane and zoledronic acid. Maximizing the reach of Gland Pharma's US-approved portfolio in other geographies, including China, will be a crucial factor in its continued growth and market expansion.

During 2023, Gland Pharma launched or re-introduced 52 molecules (48 in the US) in global markets. The new introductions also included some high-value products such as Rocuronium Bromide, Carboplatin and Ketorolac Tromethamine, for which Gland Pharma's partners have begun to see traction, and Gland Pharma is optimistic about their future growth in volumes.

While the US generic market had turbulence due to pricing scenarios and intense competition, the pricing environment for most of Gland Pharma's products for the year of 2023 remained stable, and Gland Pharma saw an increase in volume for some of its older products. On the operational front, Gland Pharma has always emphasized efficiency and productivity enhancements while delivering consistently high-quality products. Gland Pharma's unwavering commitment to regulatory compliance with the agencies and partners is a cornerstone of its operations, ensuring the safety and efficacy of its products.

For future growth, Gland Pharma will continue to invest in R&D and production capabilities, strengthen vertical integration, and expand Active Pharmaceutical Ingredients ("**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) and complex API raw material production technologies (e.g., fermentation technology). As 31 December 2023, Gland Pharma and its partners filed 346 Abbreviated New Drug Applications ("**ANDAs**") in the United States, 279 of which were approved and 67 pending approval. Gland Pharma has 1,659 product registrations worldwide.

Sisram

As at the end of the Reporting Period, the Group indirectly held 71.42% equity interest in Sisram.

During the Reporting Period, Sisram recorded a total revenue of USD359.3 million, representing a year-on-year increase of 1.4%. The overall increase was primarily attributable to the revenue growth in direct offices, mainly North America and newly established the PRC office. During the Reporting Period, gross profit increased by 8.6% to USD219.5 million from USD202.2 million in the same period of last year. The increase in gross profit was primarily driven by the successful execution of expanded direct presence strategy, led by acquisition and new establishment of direct operation office in PRC. This initiative enabled Sisram to increase the average selling prices while leveraging growth in other Asia Pacific offices. Net profit attributable to shareholders of Sisram was USD31.5 million, representing a year-on-year decrease of 21.6%. Sisram continued to increase its R&D efforts. During the Reporting Period, R&D expense amounted to USD18 million which was similar to the same period of last year.

Energy-based devices business: during the Reporting Period, Sisram launched three products into new territories: Soprano Titanium™ – the flagship equipment platform of Alma Lasers Ltd. ("**Alma**", a core subsidiary of Sisram) for hair removal was introduced to North America market following regulatory FDA clearance. Opus was introduced to international markets outside the United States. Opus is equipment platform for skin resurfacing and face tightening. Alma Veil™ was launched in North America. The product is an advanced, dual-wavelength vascular laser workstation with remarkable efficacy across a comprehensive range of vascular and dermatological conditions. Furthermore, Sisram intensified its R&D efforts and advanced the R&D process actively. During the Reporting Period, VorFat System, which adopts a new technique of micronized fraction of the adipose tissue independently developed by the company, received the clearance from the FDA for marketing in the United States. The Device is intended for the closed-loop processing of microfragment adipose tissue for re-injection in medical procedures involving the harvesting, concentrating and transferring of autologous adipose tissue harvested with a lipoplasty system. It is also intended for use in certain surgical specialties while the transfer of harvested adipose tissue for aesthetic body contouring is desired.

Injection filler business: in April 2023, Sisram announced that the drug registration application of RT002 (Daxibotulinumtoxin A) was accepted by the NMPA. Sisram was granted the sublicense rights to use, import, sales and other commercial activities of the product in the Region (i.e. Chinese Mainland, Hong Kong and Macau, hereinafter the same) and the product is indicated for the temporary improvement in the appearance of moderate to severe glabellar lines associated with corrugator and/or procerus muscle activity in adult patients. In November 2023, Sisram announced that the registration application of Profhilo®, an injectable product exclusively distributed by the company in Chinese Mainland, was accepted by the NMPA. The product is a buffered physiological solution of high molecular weight hyaluronic acid (H-HA) and low molecular weight hyaluronic acid (L-HA). It uses NAHYCO® patented mixing technology to bring a better anti-aging experience to beauty seekers and patients.

Personal care brand: LMNT (medical-grade home beauty device) launched the 2nd generation product LMNT O_2.

In addition to the vertical cultivation of the business field, Sisram is actively strategizing in marketing and global expansion. During the Report Period, at the Alma Academy event hosted by Sisram in Italy and the United States, numerous renowned physicians and key opinion leaders gathered together, and Sisram displayed a number of award-winning Alma products to further enhance the reputation of Sisram and its brand globally. In June 2023, Sisram opened its first wellness center – Sisram Wellness Center in downtown Chicago to offer a comprehensive range of advanced medical aesthetic services in skin health, beauty, and wellness, providing exceptional care tailored to everyone's unique needs and concerns. The opening of the center will enable the company to gather valuable insights from end-users, placing their needs and aspirations at the forefront, so as to strengthen the brand image and solidify its market position.

Sisram also further expanded its channels. During the Reporting Period, Sisram established new direct offices in Japan and Dubai, both will start with the business of energy-based devices and gradually expand into the company's wellness ecosystem business units. Additionally, in June 2023, Sisram completed the acquisition of PhotonMed, China's leading energy-based device distributor and Alma's strategic partner. The acquisition strengthens the company's direct-to-consumer strategy and reinforces the Sisram's leadership positioning and brand in Asia Pacific market.

Fosun Health

Based on its existing superior medical resources and digital platform, Fosun Health takes medical care as its core and develops business layout in the fields of medical group, smart medical care and insurance empowerment. As at the end of the Reporting Period, Fosun Health controlled 18 general and specialized hospitals, clinics and third-party inspection institutions in the five major economic belts including the Greater Bay Area, the Yangtze River Delta, the Jing-Jin-Ji (Beijing-Tianjin-Hebei), Central China, Chengdu and Chongqing, with a total of 6,548 approved beds in the controlled medical institutions, and held a total of 8 internet hospital licenses. During the Reporting Period, Fosun Health achieved operating revenue of RMB6.3 billion, a year-on-year increase of 3%. The revenue growth was mainly due to the gradual recovery of offline hospital business in the post-epidemic period, and the steady growth of various operating indicators. At the same time, Fosun Health focused on its core business, deepened refined operations, and promoted various cost reduction and efficiency improvement measures. The overall profitability of its major hospitals was stable and improving. The losses of the growth-stage hospitals and the investment-stage business segments were significantly narrowed. During the Reporting Period, the loss in segment was RMB0.4 billion, a year-on-year decrease in loss of RMB0.4 billion.

In terms of medical group, through continuous promotion of the integration of online and offline medical institutions, and the expansion of primary medical services, Fosun Health formed a regional healthcare services network surrounding key regions such as the Greater Bay Area and the Yangtze River Delta. Fosun Health took self-operated flagship hospitals as the starting point to collaborate with regional medical institutions to integrate prevention, diagnosis, treatment and rehabilitation services, thereby meeting the diversified medical needs of the users. During the Reporting Period, Foshan Fosun Chancheng Hospital became the first designated hospital in Foshan under the measure of using Hong Kong registered drugs and medical devices used in Hong Kong public hospitals in Guangdong-Hong Kong-Macao Greater Bay Area. Guangzhou Fosun Changchen Hospital entered into a strategic cooperation with Guangdong Pharmaceutical University. StarKids Children's Hospital of Shanghai officially commenced operation, and Xuzhou Star Maternity and Children's Hospital expanded featured departments and extended service areas, to deeply cultivate the fields of gynecology and pediatrics medical services. Yue Yang Guang Ji Hospital signed a cooperation agreement with Xiang Xing College of Hunan University of Chinese Medicine.

In terms of intelligent healthcare, many medical institutions including Foshan Fosun Chancheng Hospital and its medical units have continuously improved the "cloud HIS" (a new-generation intelligent healthcare cloud platform) and internet hospital SaaS (the "**dual SaaS platform**") system, to enhance the underlying digital capabilities and patient integration services capabilities.

In terms of insurance empowerment, Fosun Health continued to promote two-way empowerment of healthcare and insurance to provide insurance and health management services for users. Fosun Health launched the construction of a commercial insurance system for member medical institutions, and created customized insurance empowerment solutions around featured and cutting-edge medical technologies to enable more specialized patients to enjoy special medical services.

Looking forward to 2024 and beyond, leveraging its existing advantageous medical resources and digital platform, Fosun Health will continue to deepen its business deployment in the fields of medical group, intelligent healthcare and insurance empowerment, focus on advantageous areas such as the Greater Bay Area, facilitate the integration of online and offline services, improve its specialized capabilities and life-cycle management system based on the course of disease, and accelerate the development of the one-stop health management services that integrate medicine and healthcare, aiming to realize its vision of becoming an "Asia's leading and world-class medical and healthcare technology group".

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

As at the end of the Reporting Period, the Group held approximately 90.91% equity interest in Shanghai Zhuli.

Since its establishment in 2012, Fosun Care has maintained a refined operational model with high standard, high quality and high efficiency. It was awarded, among others, the 2nd of the "TOP 50 Comprehensive Strength of China's Healthcare Industry Operators of 2023", demonstrating the comprehensive strength of Fosun Care. As at the end of the Reporting Period, Fosun Care invested in and operated senior care and nursing institutions in nearly 10 cities including Beijing, Shanghai, Ningbo, Suzhou, Tianjin, Wuhan, Foshan and other cities, with a total of over 11,000 beds held. During the Reporting Period, the revenue of Fosun Care amounted to RMB162.43 million, representing a year-on-year increase of 18.2%.

In terms of ecosystem synergy, Fosun Care continues to strengthen its in-depth cooperation with insurance companies. It worked closely with insurance companies through the innovation and marketing of the "large-sum annuity insurance + senior community residency rights" insurance product in cooperation with Pramerica Fosun Life Insurance and Fosun United Health Insurance, which helped boost large-sum insurance sales with new policy regular premium of RMB2.34 billion in 2023. Through the integration of "insurance + senior", the elderly care business provides assistance and guarantee for insurance companies to leverage on the liability side through high-quality offline scene construction and service guarantees. At the same time, the insurance related cooperative sales revenue of Fosun Care achieved a growth of over 240%.

In addition, as insurance companies, especially for the small and medium-sized insurance companies, are making every effort to realize breakthroughs and development, there is an urgent need for high-quality equity products to empower insurance product sales. Fosun Care is currently cooperating with internal and external insurance companies to carry out insurance equity product innovation through the development of permanent residence service rights, residence abroad service rights, home service rights, care insurance, health management and other equity products, turning the health care community into a marketing scene for insurance companies, empowering small and medium-sized insurance companies to sell policies, serving the full life cycle health care needs of C-end customers, and achieving a deep integration of insurance and health care.

In the future, focusing on "medical care, wellness, healthcare and enjoyment (醫、養、康、享)" as its core businesses, built upon its own asset management and operation capabilities as the cornerstone, and leveraging through refined operation system, Fosun Care will build a digital and intelligent system for health and wellness communities, realizing a full-service digital platform. At the same time, Fosun Care focused on the development of diversified products in core cities and core regions, and accelerated the launch of beds in an asset-light model. It aims at striving to become a benchmark enterprise in China's senior care industry.

Happiness

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

Unit: RMB million

	For the year ended 31 December 2023	For the year ended 31 December 2022	Change over the same period of last year
Revenue	**88,946.4**	70,739.5	25.7%
(Loss)/Profit attributable to owners of the parent	**(263.9)**	1,561.4	(116.9%)

During the Reporting Period, the revenue of the Happiness segment amounted to RMB88,946.4 million, representing a year-on-year increase of 25.7%, which was mainly attributable to the rising gold price and strong tourism demand after the pandemic, driving the revenue growth of Yuyuan and FTG, respectively. During the Reporting Period, the loss attributable to owners of the parent of the Happiness segment was RMB263.9 million, representing a decrease of 116.9% as compared with the same period in 2022, mainly due to the decrease in profit of Yuyuan.

Yuyuan

As at the end of the Reporting Period, the Group held approximately 61.85% equity interest in Yuyuan.

The businesses of Yuyuan mainly consist of fashion jewelry, cultural business, cultural dining and food and beverage, beauty and health, Chinese fashion watches, real estate complex and commercial management, etc. With the support of the global platform and resource empowerment system of the Group, Yuyuan has its strategic vision targeted at family customers.

During the Reporting Period, Yuyuan's revenue for the year amounted to RMB58.147 billion, representing a year-on-year increase of 15.83%, of which the net profit attributable to shareholders of Yuyuan was RMB2.024 billion, representing a year-on-year drop of 45%. The sales revenue from the consumption industry reached RMB41.694 billion, accounting for 71.70% of Yuyuan's revenue.

During the Reporting Period, by optimizing market layout and upgrading product offerings, the operation channels of jewelry and fashion business of Yuyuan continued to expand, with increasing product competitiveness and market share. The performance of jewelry and fashion business has outperformed than expected. In addition, the customer flow in commercial landmarks, such as Yuyuan Tourist Mart, has gradually recovered, boosting the improvement in commercial management, cultural dining and other businesses. During the Reporting Period, Yuyuan completed the disposal of shares in IGI Group, allowing Yuyuan to put more resources in key development strategies and projects, and bringing more non-operating profit during the Reporting Period.

While actively creating business value, Yuyuan attaches great importance to corporate social responsibility and deeply understands the concept of green development. Yuyuan continuously improves its internal environmental management system and optimizes its corporate governance structure. Benefiting from significant improvements on issues such as green development, privacy protection and data security, as well as corporate behavior, Yuyuan achieved an MSCI ESG rating of A in 2023, which has been continuously upgrading in recent years.

During the Reporting Period, the main business performance of Yuyuan is as follows:

– Yuyuan's jewelry and fashion business achieved revenue of RMB36.727 billion, representing a year-on-year increase of 11.05%. The jewelry and fashion network expanded significantly, with a net increase of 424 stores to 5,016 stores. At the same time, the product structure was further optimized. The sales of "Guyun Gold" (古韻金), the high-margin series products with ancient craftsmanship, around RMB8.9 billion, representing a year-on-year increase of 71%.

– Yuyuan Tourist Mart hosted over 1,300 cultural and commercial activities in 2023 that attracted almost 40 million visitors. The Yuyuan Lantern Festival, a national intangible cultural heritage, was held cross-border for the first time and was successfully launched in France. It was listed as the opening event to celebrate the 60th anniversary of the establishment of diplomatic ties between China and France and the China-France Year of Culture and Tourism.

– Cultural dining achieved revenue of RMB1.421 billion, a significant year-on-year increase of 119.75%. Catering of Old Town God's Temple entered the top 50 in the top 100 catering rankings, ranking 48th, has risen six places compared with last year's ranking.

Shede Spirits

As at the end of the Reporting Period, Yuyuan held approximately 30.22% equity interest in Shede Spirits through Sichuan Tuopai Shede Group Co., Ltd..

During the Reporting Period, Shede Spirits adhered to the core principle of "maintaining stable prices, controlling inventories and promoting sales". Through the implementation of consumer experience projects, such as Shede Classic Liquor Banquets (舍得老酒盛宴) and Shede Smart Tour (舍得智慧之旅), it recorded steady growth in traditional markets, meanwhile the sales in emerging markets such as Chongqing, Beijing, Shanghai and Urumqi grew rapidly. Under the leadership of the management and the efforts of the operation teams, Shede Spirits managed to achieve excellent results in both production and operation. During the Reporting Period, Shede Spirits recorded revenue of RMB7,081 million, representing a year-on-year increase of 16.9%, and net profit attributable to shareholders of Shede Spirits recorded RMB1,771 million, representing a year-on-year increase of 5.1%. In particular, the revenue of liquor and spirits reached RMB6,560 million, representing a year-on-year increase of 16.0%. In terms of liquor and spirits category, the revenue of mid-range and high-end liquor and spirits products amounted to RMB5,655 million, representing a year-on-year increase of 16.0%, while the revenue of regular liquor and spirits products amounted to RMB905 million, representing a year-on-year increase of 16.1%. While the revenue continued to grow, multiple measures were taken to strengthen expense control by Shede Spirits. During the Reporting Period, the management expense ratio decreased by 0.7 percentage points year-on-year.

In terms of operational management, adhering to the overall principle of "accumulating procedures through campaigns, creating hit products through breakthroughs", Shede Spirits continued to carry out capital campaign, gathered resources to make breakthroughs in key cities and deepened the national market layout. It announced the launch of its new strategic product, "Classic Collection • Ten Years of Shede Spirits (藏品 • 舍得10年)", with price around RMB1,000. Following Yelanggujiu Industry Co., Ltd. officially put into operations, Shede Spirits stepped into the field of sauce-flavour spirits. Shede Spirits proactively explored new channels such as key account (KA), C2M and private sections, aiming to improve its omni-channel operation capability. It regulated the operation of "3+1" distributor consultation committee, and strengthened its coordination with factories. Through digitalization, BC interaction, targeted marketing and other means, Shede Spirits promoted product sales. Under the intensifying market competition, with the implementation of the aforementioned measures, Shede Spirits sales volume maintained stable growth in major liquor and spirits products including Taste of Shede Spirits (品味舍得), Way of Shede Spirits (舍之道), Tuopai T68 premium liquor (沱牌特級 T68) and other products.

In terms of distribution channels, Shede Spirits has further consolidated its cooperation with distributors, optimized and adjusted them, and introduced a group of strong distributors. As at the end of the Reporting Period, Shede Spirits had a total of 2,655 distributors, representing a net increase of 497 distributors and 23% as compared to the end of 2022.

Looking forward to the year of 2024, Shede Spirits will adhere to four major strategies, steadfastly create large single products, steadfastly increase high-end market share, steadfastly promote national layout and regional deepening, steadfastly promote brand internationalization, and continuously enhance brand strength, product strength, channel strength, and organizational strength. Shede Spirits will continue to implement intelligent upgrading and transformation of its production system, continuously improve the ecological industry chain, actively expand production capacity, strengthen classic liquor reserves, and improve the quality of classic liquor; continuously focus on work priorities such as "FC2M, ecosystem, science and technology Innovation, FES, and Oriental Lifestyle Aesthetics", closely adhere to the main theme of "confidence, resilience, lean, and creation", strengthen core competitiveness, win key battles, and strive to achieve high-speed growth.

FTG

As at the end of the Reporting Period, the Group held 78.21% equity interest in FTG.

During the Reporting Period, benefiting from worldwide lifting of pandemic-related restrictions and the release of strong demand for vacations after the pandemic, FTG's revenue was RMB17,151.8 million, representing a year-on-year increase of 24.5%; profit attributable to equity holders of FTG was RMB307.2 million, compared with loss attributable to equity holders of FTG of RMB544.9 million for the same period in 2022. FTG maintained a healthy financial position during the Reporting Period: in 2023, FTG achieved a net cash flows generated from operating activities of RMB4.04 billion, representing an increase of 80.2% compared to that of 2022. As at the end of the Reporting Period, the cash and bank balances of FTG was RMB2.99 billion.

Club Med, headquartered in France and founded in 1950, is the world leader in high-end, experience-oriented all-inclusive vacations for families and couples alike. As at the end of the Reporting Period, Club Med has sales and marketing operations in more than 40 countries and regions across six continents, and operates 68 resorts. In 2023, Club Med has successfully launched Urban Oasis Nanjing Xianlin and Taicang, a unique product created specifically for Chinese urban family holiday, and unveiled two new premium resorts, Kiroro Grand in Japan and La Rosière Exclusive Collection in France.

In 2023, the business volume of Club Med amounted to RMB15,122.5 million, representing an increase of 19.2% compared to that of 2022, and reaching to 118.3% of that of 2019; the capacity of Club Med increased by 6.4% as compared to that of 2022 and recovered to 97.7% compared to that of 2019; the global average occupancy rate by room of Club Med reached 70.0%, increasing by 3.5 percentage points compared to 2022 and showed a gap of 1.5 percentage points compared with 2019; the average daily bed rate was RMB1,681.2, at constant exchange rate, representing an increase of about 8.5% and 30.8% as compared with 2022 and 2019.

Atlantis Sanya is located on the Haitang Bay National Coast of Sanya in Hainan Province, China. It was officially opened in April 2018. During the Reporting Period, the number of visits of Atlantis Sanya was 6,077,000; the business volume of Atlantis Sanya operating business was RMB1,674.9 million, increased by 90.9% as compared to the same period in 2022. The average daily rate by room was RMB2,385.5, with an average occupancy rate of 81.9%, up by 38.9 percentage points as compared to that of 2022.

In 2023, FTG incorporated its two major projects, Taicang and Lijiang, under the former "Foliday Town" brand into the "Vacation Asset Management Center" business segment, integrating Taicang Alps Resort and Lijiang Club Med Resort. Taicang Alps Resort is located in Taicang city, Jiangsu Province in Eastern China. The indoor ski domain of Alps Snow Live, Club Med Urban Oasis Taicang Resort and Alps Time commenced their business in the second half of 2023. Taicang Alps Resort is in the ramp-up period since its opening. Benefiting from the growth in demand for urban vacation and ice and snow tourism, as well as the continued enhancement of resort operations, the project performance has been steadily improving.

Lijiang Club Med Resort is located in Baisha town in Lijiang City, Yunnan Province in Southwestern China. It includes Club Med Lijiang resort, JOY PARK Commercial Street and Snow Mountain Camp. In 2023, Lijiang Club Med Resort recorded a business volume of RMB107.8 million, increased by 21.3% as compared to the same period in 2022.

In November 2019, FTG acquired the trademarks of Thomas Cook brand, a centennial travel brand, as well as its right, title and interest across most international markets upon its liquidation. In 2023, FTG repositioned the former "Thomas Cook Lifestyle Platform" to "Foryou Club". Foryou Club is committed to providing high-quality domestic and international holiday products and services to its members and their families around the world by creating a scenic platform for high-quality holiday services. As at the end of the Reporting Period, the platform had over 6,529,000 members, and, in 2023, the number of paid users reached 114,000. Foryou Club recorded a business volume of RMB354.7 million in 2023, representing an increase of 9.0% as compared to that of 2022. Additionally, Thomas Cook's UK business, as well as its operations in Europe, have continued to invest in their digital platform with a greater focus on higher-margin hotels and long-haul holidays.

Lanvin Group

As at the end of the Reporting Period, the Group held 58.65% equity interest in Lanvin Group.

Lanvin Group, a global luxury fashion group, was founded in 2018. From 2018 to 2021, Lanvin Group acquired controlling equity interests in Lanvin, one of the oldest operating French couture houses, established in 1889; Austrian luxury skinwear specialist Wolford; Italian luxury shoemaker Sergio Rossi; iconic American womenswear brand St. John; and high-end Italian menswear maker Caruso. Lanvin Group's brands are known worldwide and the group has a far-reaching global presence in more than 80 countries with nearly 1,200 points of sales, nearly 300 retail stores and approximately 3,000 employees as at the end of the Reporting Period.

The brand portfolio of Lanvin Group produces a wide range of luxury product categories and distributes through a combination of DTC (Direct-to-Consumer) and wholesale channels across various regions. These aspects not only provide Lanvin Group with significant growth opportunities, but also ensure its stability and resilience throughout market cycles. The brands of Lanvin Group have six professional production facilities in Europe and North America covering the manufacture of footwear, skinwear, knitwear, menswear and fashion jewelry, which is the basis for its brands to maintain their unparalleled product know-how and continuous innovation and R&D capabilities.

In December 2022, Lanvin Group became listed on NYSE under the ticker of "LANV", which marked an important milestone of Lanvin Group's development and a key step in its strategy of building a symbolic portfolio of luxury fashion brands. The proceeds raised from the listing transaction will be used to accelerate the organic growth of Lanvin Group's brand platform and to fund strategic acquisitions that enrich its luxury fashion portfolio.

The brands of Lanvin Group have undergone successful transformations over the past few years, which has also enabled Lanvin Group to gradually establish a leading position. Lanvin Group is dedicated to continuous model innovation, increasing digital capabilities, omni-channel activation, new market development, localized marketing, and the utilization of the its advantages and high-quality resources in the Asia Pacific market. Lanvin Group is committed to helping brands optimize product structure and explore new categories with great growth potential, such as leather goods and accessories.

During the Reporting Period[8], Lanvin Group has further consolidated its business foundation in a challenging macro environment, achieving a revenue of EUR426 million, a year-on-year increase of 1%. Lanvin Group further optimized its retail network, expanded its e-commerce footprint, and maintained its business resilience and brand popularity in a challenging market environment through successful new product launches and marketing initiatives.

The flagship brand Lanvin smoothly managed through a year of creative transition and achieved a revenue of EUR112 million during the Reporting Period. While the brand's revenue decreased by 11%, year-on-year in the first half of the year, the gap was eventually narrowed to 7% for the full year, mainly due to the successful formation of the brand's leather goods and accessories division and the launch of Lanvin Lab – the first Lanvin Lab collection in collaboration with Grammy-winning rapper Future was successfully launched in the fourth quarter. The positive momentum that the brand has shown in the second half of the year is expected to continue into 2024. In addition, Lanvin Group completed the reacquisition of the brand's trademark rights in Japan from ITOCHU Corporation, in March 2023, further consolidating the integrity of the brand's global intellectual property and management.

In February 2023, Wolford announced its new Creative Director, Nao Takekoshi, marking the company's commitment to further shaping its global brand image by reinforcing and reinventing its classic style. Under his leadership, the launch of new product lines and e-commerce and store concepts, including a new featured product – the W.O.W. Legging – launched at the end of the year, as well as several amazing collaborations with brands such as N21° and SIMKHAI have received positive responses from buyers and consumers around the world.

Sergio Rossi continuously strengthened the brand's recognition and influence in key markets both domestically and internationally through the relaunch of the iconic Mermaid collection, the collaboration with emerging New York fashion brand AREA, as well as the engagement of its Greater China brand ambassador. Helen Wright, the brand's new Chief Executive Officer, with more than 25 years of experience in the industry, also took office in December 2023, and will lead Sergio Rossi towards faster change and growth.

8 All information of Lanvin Group is preliminary unaudited revenue information and the full 2023 annual report of Lanvin Group will be released in April 2024.

During the year, Lanvin Group continued to optimize its retail store network, resulting in an overall net decrease of 12 stores. Meanwhile, while the total number of stores decreased, the revenue from direct-to-consumer (DTC) channels remained stable. St. John and Sergio Rossi achieved like-for-like store revenue growth of 13% and 6%, respectively. Lanvin Group's e-commerce revenue as a whole further achieved a full-year growth of 3%, with St. John and Sergio Rossi's e-commerce revenue increased by 14% and 5%, respectively. In addition, the management successfully navigated through the increasingly challenging market environment in 2023. The revenue in North America and EMEA market remained largely unchanged, showing slight growth and decline respectively, while Asia Pacific market grew 8%. Despite a slow start in the first half of the year, Greater China eventually achieved full-year growth of 8%.

Lanvin Group continued to provide higher resiliency and profitability for its business by focusing on its product matrix and strengthening its accessories category. Through a successful brand and product refocus strategy, St. John's DTC channel achieved 7% growth in 2023. Caruso has managed to achieve a strong growth of 30% in global revenue by continuing to strengthen its "playful elegance" brand positioning and the specialized production capacity of its factory.

In 2024, Lanvin Group plans to continue to pursue strategic growth opportunities, such as further increasing its market share in the Asia Pacific region. Continued marketing and new product launches are expected to drive sales growth in 2024. This will enable Lanvin Group to further improve scale and capitalize on the operating leverage it built in 2023.

Wealth

The Group's Wealth segment includes two major sub-segments: Insurance and Asset Management (property and investment).

INSURANCE

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

Unit: RMB million

	For the year ended 31 December 2023	For the year ended 31 December 2022 (Restated)	Change over the same period of last year
Revenue	**37,453.6**	39,460.1	(5.1%)
Profit/(Loss) attributable to owners of the parent	**790.2**	(2,969.5)	126.6%

During the Reporting Period, the revenue of the Insurance segment decreased by 5.1% compared to the same period of last year, mainly because of the disposal of AmeriTrust in 2022. Excluding the impact of AmeriTrust, the revenue increased by 6.2% year-on-year. Due to the the continuous improvement of operating profits and seizing the global interest rising cycle to increase investment returns of the insurance companies of the Group, the profit attributable to owners of the parent was RMB790.2 million during the Reporting Period, representing a significant increase of 126.6% as compared with the same period of 2022.

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

As at the end of the Reporting Period, the Group held 84.9892% equity interest in Fosun Insurance Portugal.

Fosun Insurance Portugal's total gross written premiums ("**GWP**") for 2023 were EUR5,207 million, a slight increase of 1.7% year-on-year. However, Life and Non-life businesses experienced contrasting performances. While the Non-life business consolidated GWP reached EUR2,902 million, a sound 10.5% growth, the Life business decreased 7.5% to EUR2,305 million. The Life business decline was explained by the Life financial business in Portugal, which contracted as a result of the macroeconomic environment. In spite of this, Fosun Insurance Portugal maintained its leading position in the Portuguese market, with a market share of approximately 30%.

The international business reported an overall GWP of EUR1,703 million, a 10.6% raise year-on-year, highlighting the benefits of Fosun Insurance Portugal's international diversification strategy.

Fosun Insurance Portugal's leading position in the country has allowed for a sound operating development in spite of an overall tough business environment. During the Reporting Period, net income under HKFRS 17 was EUR180 million, representing an increase of 2.7% year-on-year.

In October 2023, Fitch Ratings annual review maintained Fosun Insurance Portugal's Insurer Financial Strength Rating at "A" and Long-Term Issuer Default Rating at "A-". Fitch's update underlines Fosun Insurance Portugal's very strong company profile, capitalization and leverage assessments.

Throughout 2023, Fosun Insurance Portugal continued the implementation of its sustainability strategy. The company's efforts on this front were recognized in November 2023, when Sustainalytics assigned it an ESG rating of 11.7, Low Risk. This result places the company as the fourth best rated insurance company in the world and the second among European insurers (out of 301 insurers assessed by Sustainalytics).

Fosun Insurance Portugal participated, for the first time, in the 2023 United Nations Climate Change Conference of the UNFCCC (COP28). Its contribution, centered on Health, Assistance, Recovery and Peace, addressed policies that contribute to countries' resilience, well-being as well as stability.

During 2023, Fosun Insurance Portugal received several awards related to its strong brand and high level of customer recognition. They include Superbrands 2023 (general and health insurer categories), Trusted Brands (Fidelidade and Multicare brands), Best Reputation in Industry 2023 (Fidelidade and Multicare), Escolha do Consumidor 2023 (general and health insurance brands), Five Star Award (customer satisfaction) and Innovation in Insurance 2023 (for its Pet Ecosystem project).

In addition, Fosun Insurance Portugal's 8 local companies were awarded Great Place to Work (GPTW) certification in 2023. Internationally, 14 companies of Fosun Insurance Portugal, located in 9 different countries, also achieved GPTW certifications.

Going forward, Fosun Insurance Portugal will remain focused on maintaining its leading position in the Portuguese market while preserving sound technical profitability. It will also continue with the reshaping of its Life financial business, launching new capital-light products which preserve its commercial competitiveness and allow optimal use of capital. Finally, the efforts to promote best practices among its international operations will remain as a key element of its diversification strategy.

Peak Reinsurance

As at the end of the Reporting Period, the Group held 86.71% equity interest in Peak Reinsurance through Peak Reinsurance Holdings.

During the Reporting Period, Peak Reinsurance recorded GWP of USD1,761 million (2022: USD2,295 million)[9] and reinsurance revenue of USD1,556 million (2022: USD1,822 million). As at the end of the Reporting Period, Peak Reinsurance continued to be rated at A- (Excellent) by AM Best, reflecting its good international brand reputation, diversified product portfolio and geographical advantages, as well as its solid financial strength.

The year 2023 was characterized by high inflation, rising interest rates and a continuation of costly natural catastrophe events. The confluence of factors resulted in more cautious attitudes of reinsurance capital providers, as highlighted in the tightness in the retrocession market. A favourable tailwind prevailed throughout the year as reinsurance prices increased and terms of conditions tightened. The series of expensive natural catastrophe events over the past years also kept demand for reinsurance at a high level.

Over the year, Peak Reinsurance continued to focus on stringent risk selection, adequate pricing, managing claims and expenses, and finding new risk transfer solutions. Peak Reinsurance strategically and successfully realigned its property and casualty ("**P&C**") portfolio to reduce result volatility while maintaining global diversification. Actions taken included reducing exposure to severe natural catastrophe perils, primarily in the US, Europe and Japan, shifting to higher layers and raising attachment points, and diversifying into non-catastrophe lines of business.

These efforts cumulated in a strong P&C underwriting combined ratio of 87.3% (2022: 110.1%), a reinsurance service result (underwriting profit) of USD157 million, and a contractual service margin (an indication of future profits) of USD70 million. Overall, the portfolio adjustments made prior to 2023 proved prudent, given that all business lines and regions contributed positively to Peak Reinsurance's 2023 record performance. Peak Reinsurance is proud to maintain a balanced, well-diversified and profitable P&C portfolio.

9 All figures are based on HKFRS 17 except gross written premiums which are based on HKFRS 4. Figures for 2022 have been restated to the new accounting standards.

Life and health insurance ("**L&H**") is a key diversification area for Peak Reinsurance's future growth. In 2023, GWP general from L&H reinsurance business increased to USD438 million from USD270 million a year ago.[10] Peak Reinsurance continued to strengthen its business franchise and invest in L&H capacity.

Since 2022, Peak Reinsurance has started to reposition its investment portfolio to shorten the duration and upgrade the investment quality, for example, by reinvesting into higher credit ratings fixed-income instruments. These strategic actions, together with the progressive reversal of previous unrealized losses on fixed-income instruments, saw the investment portfolio making a healthy contribution to Peak Reinsurance's 2023 results. Based on total asset of USD3.73 billion, Peak Reinsurance achieved a healthy investment yield of 3.8% for the year 2023.

Overall, Peak Reinsurance reported a record net profit of USD200 million in 2023 (2022: a loss of USD261 million). Net assets value ("**NAV**") benefitted from retained earnings, increasing to USD1.28 billion, from USD1.12 billion at the end of 2022, supporting a significant improvement in the solvency ratio[11] to 300%.

Pramerica Fosun Life Insurance

As at the end of the Reporting Period, the Group held 50% equity interest in Pramerica Fosun Life Insurance.

During the Reporting Period, Pramerica Fosun Life Insurance has impressive revenue performance: recorded premium income of RMB4,346 million, representing a year-on-year increase of 77.45%. New premiums from the agent agency channel, the bank and post office agency channel and the professional broker agency increased by 23%, 161% and 222% year-on-year respectively.

In 2023, social and economic operations had a recovery trend. Pramerica Fosun Life Insurance seized the market opportunities, accelerated the pace of business operations, promoted the construction of diversified pipelines, actively promoted the optimization of business structure, and focused on long-term value growth. In terms of channel strategy, Pramerica Fosun Life Insurance coordinated and promoted the professional, ecosystem and digital development of professional brokerage, bank and postal agents and agent channels. During the Reporting Period, the per capita new order premium of the agent team was RMB55,000/month, a year-on-year increase of 48%, and the production capacity index ranked among the top in the industry. In terms of products services, driven by the needs of family customers, Pramerica Fosun Life Insurance continued to improve product systemization, service-oriented, family-oriented and brand construction, and enhance the brand reputation of "Knowing what you need, customizing according to your needs (懂你所需、應需定制)". In terms of technological construction, Pramerica Fosun Life Insurance built four major platforms: data-based user journey, business capabilities, management capabilities, and infrastructure capabilities to achieve technological empowerment for business development. In terms of ecosystem empowerment, Pramerica Fosun Life Insurance cultivated own differentiated competitive barriers through "insurance + ecosystem". During the Reporting Period, Pramerica Fosun Life Insurance completed a total of 6,006 policies for senior community, a year-on-year increase of 271%.

Looking forward to 2024, Pramerica Fosun Life Insurance will continue to adhere to the business philosophy of long-term value increase, with "guarding the future you want (守護你想要的未來)" as its mission, integrate the high-quality development concepts of "entrepreneurship, innovation and creation" to expand the business and service coverage of the bank and post office agency channels and professional broker agency channels, and continue to promote the steady and high-quality development of the agent force, and constantly explore micro-innovation of the product system. Pramerica Fosun Life Insurance will build up a differentiated competitive advantage with the help of "insurance + ecosystem" to continue its lean operation, and enhance the quality of its operations.

10 L&H gross written premiums include short-term health business.
11 The solvency ratio of Peak Reinsurance is based on the Hong Kong Insurance Ordinance, as at 31 December 2023.

Fosun United Health Insurance

As at the end of the Reporting Period, the Group held 20% equity interest in Fosun United Health Insurance.

In 2023, with the concerted efforts of macroeconomic policies and the gradual resumption of normalized socio-economic operation, the life insurance industry was in a stage of growth recovery. Fosun United Health Insurance made good use of its ecosystem, customer operation, innovation impetus, technological innovation and digital intelligence, realizing revenue from the insurance business of RMB4,125 million, representing a year-on-year increase of 6%. Fosun United Health Insurance served over 6.84 million customers in aggregate, representing a year-on-year increase of 2.9% compared to the same period of last year. During the Reporting Period, the number of newly registered members of the official client application "Kang You Wei (康有唯)" exceeded 268,000, and the total number of registered members reached 595,000.

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 corporate customers. Since its establishment, Fosun United Health Insurance has provided more than 180 special insurance products and health management services to Chinese families and corporate customers, including more than 20 products with new sales volume of more than RMB10 million through 2023.

Looking forward in 2024 and beyond, Fosun United Health Insurance regards "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 medical, senior care, rehabilitation, and maternal and child businesses as top priority, thereby establishing a comparative advantage in the segmented market competition, so as to create greater value for shareholders and customers.

ASSET MANAGEMENT

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

Unit: RMB million

	For the year ended 31 December 2023	For the year ended 31 December 2022	Change over the same period of last year
Revenue	**14,325.9**	15,294.7	(6.3%)
Loss attributable to owners of the parent	**(552.9)**	(1,910.8)	71.1%

During the Reporting Period, the revenue of the Asset Management segment decreased by 6.3% year-on-year, which was mainly due to the revenue decrease of Asset Management (Property) business. The 71.1% year-on-year decrease in loss attributable to the Group mainly due to the Group's proactively adjustment of asset portfolio mix in 2022 ahead of the arrival of high interest rate and prolonged rate hikes environment in 2023, enhancing the stability of the Group's asset portfolio profitability.

Fosun Capital

As at the end of the Reporting Period, the Group held 100% equity interest in Fosun Capital.

Since its establishment, Fosun Capital had invested in over 100 companies, and successfully exited from investments in more than 50 companies through domestic or overseas listings, equity transfer and other ways. As at the end of the Reporting Period, Fosun Capital had a total of 24 funds under management accumulatively, with an asset size under management of over RMB20 billion. During the Reporting Period, among the enterprises invested by Fosun Capital, 14 of Fosun Capital's investment companies submitted for IPO, one of which was successfully listed, three of which obtained the issuance approval from relevant stock exchanges, and four of which were approved by the listing review committee of the relevant stock exchanges.

During the Reporting Period, Fosun Capital was ranked of 10th among the "Top 100 Best Private Equity Investment Institutions in China of 2022" and 7th among the "Top 50 Best Chinese Private Equity Investment Institutions in China of 2022" by Touzhong.com.

Looking forward, 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 (Shanghai Insight Investment Management Limited)

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 high-growth and high-tech companies in major economic growth regions worldwide, creating an influential global industry-wide innovation ecosystem. As at the end of the Reporting Period, the total management size of Fosun RZ Capital was nearly RMB10 billion which has invested in over 100 high-quality enterprises. During the Reporting Period, Fosun RZ Capital has invested in 12 high-quality enterprises in the fields of new technology, new energy, and new overseas development, and has exited more than 20 invested projects.

Fosun RZ Capital was awarded "Top 100 China Best Venture Capital Institutions in 2022" by Touzhong.com, and "Top 100 Chinese Venture Capital Institutions in 2023" by Zero2IPO Group during the Reporting Period.

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 business segments of the Group.

Hauck Aufhäuser Lampe Privatbank AG (HAL)

As at the end of the Reporting Period, the Group held 99.69% equity interest in HAL.

HAL aims to rank among the top 3 private banks in Germany with a focus on managing, maintaining, serving and trading client assets. The bank follows a clear growth strategy with a diversified and capital-light business model covering four core business areas, i.e. Asset Servicing, Private & Corporate Banking, Investment Banking and Asset Management.

In a turbulent economic environment, HAL succeeded in continuing its growth path. The acquisition of Bankhaus Lampe KG increased the interest-paying assets of the private banking business and paid off richly under the anticipating of the interest rate hikes. As at the end of the Reporting Period, HAL's assets under service and management reached EUR272 billion, representing an increase of 6% compared to the same period of 2022 (EUR257 billion). HAL's total assets in the balance sheet was EUR11.8 billion. At the same time, HAL's gross income increased by 5.3% during the Reporting Period to EUR438 million compared with the same period of 2022 (EUR416 million). HAL's profit before tax increased from EUR94.3 million in 2022 to EUR113.4 million in 2023, due to higher interest revenue with moderately increased administrative expenses at the same period.

HAL's growth story gained recognition from the public. As a result, the bank received several awards including "Germany's Best Private Banks 2023", "Germany's Best Banks 2023", "Germany's Most Popular Bank 2023", "Leading Employers in Germany 2023", "Best Robo-Advisor 2023" and "Top Climate Commitment 2024".

Furthermore, HAL is proactively responding to ESG developments and continuously optimizing its corporate governance to fully meet regulatory requirements. A dedicated group-wide ESG department and ESG Committee 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

As at the end of Reporting Period, the Group held 25.99% equity interest in BCP. In January 2024, the Group entered into an agreement to sell 846,000,000 shares of BCP. As at 31 March 2024, the transaction has been completed, and the Group held 20.03% of equity interest in BCP.

During the Reporting Period, the consolidated core operating profit (net interest income plus net fees and commission income less operating costs, excluding the impact of one-off factors) of BCP amounted to EUR2,434.8 million, 31.7% higher than EUR1,848.7 million of the same period of last year, the results performance of which was remarkable. In particular, the core operating profit in Portugal reached EUR1,410.3 million, which increased by 55.0% as compared to EUR909.9 million of the same period of last year. The core operating profit in Poland reached EUR909.4 million, which increased by 12.1% as compared to EUR811.1 million of the same period of last year. The growth in core operating profit was driven by a significant widening of the net interest margin between the Eurozone and Poland due to several rate hikes by the European Central Bank (ECB) and the Polish base rates at its highest level since 2013. BCP's net profit attributable to shareholders reached EUR856.0 million, which significantly increased by 333.7% as compared with the same period of last year despite higher day-to-day operating expenses resulting from the inflation in Portugal and Poland, and the relevant expense regarding Swiss Franc loan risk increased to EUR779.7 million as compared to the same period of last year.

As at the end of the Reporting Period, the consolidated total assets of BCP amounted to EUR94,380 million, representing an increase of 5.0% year-on-year. BCP's consolidated loans to customers (gross) amounted to EUR56,814 million, representing a slight decrease of 1.6% year-on-year. By region, loans to customers (gross) in Portugal amounted to EUR38,625 million, representing a slight decrease of 3.80% year-on-year. Although loans from local individual customers remain active, it was affected by the lower demand for corporate loans in a rate hike environment, and a 18.7% reduction in non-performing loans. Loans to customers (gross) in Poland amounted to EUR17,535 million, representing a decrease of 3.9% year-on-year, mainly due to the local management's efforts to improve its capital adequacy ratio and optimize risk-weighted assets, which resulted in a reduction of loans.

During the Reporting Period, the quality of BCP's loan assets was solid and it continued its strategy to reduce non-performing assets. The non-performing exposure (NPE) reduced by EUR266 million at BCP's group level, resulting in a reduction in the NPE ratio as a percentage of the total loan portfolio from 3.8% as at the end of 2022 to 3.4% as at the end of the Reporting Period. At the same time, the coverage of NPE at BCP group level increased by 13.5 percentage points year-on-year to 81.8% as at the end of the Reporting Period.

Meanwhile, during the Reporting Period, another remarkable performance of BCP was customer growth. The number of active customers at BCP's group level increased from 6.48 million at the end of 2022 to 6.70 million, among which the number of mobile active customers increased from 4.09 million at the end of 2022 to 4.53 million. During the Reporting Period, BCP received several external awards and recognitions. BCP was awarded "Best Investment Bank 2023 in Portugal" by Global Finance, as well as "Consumer Choice in Portugal" in the "Large Banks" category in Portugal for three consecutive years. The BCP Poland was awarded the best bank in Poland in the "2023 World's Best Banks List" by Forbes, and ActivoBank was awarded "Customer Choice in Portugal" under the "Digital Bank" for the sixth time.

In 2023, BCP delivered strong annual results in a challenging surrounding environment, and maintained high liquidity and a sound capital level. Its operations rapidly recovered in the post-pandemic period, and achieved several objectives announced in its new strategic plan "Excellence 2024" ahead of schedule. Looking ahead, BCP will continue to focus on its five future strategic priorities for talent optimization, mobile digitization, growth and leadership in the Portuguese market, international expansion, and business model sustainability, in order to create and share value with its customers.

The Bund Finance Center ("BFC")

As at the end of the Reporting Period, the Group held 100% equity interest in 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 main businesses include (i) office rental business which offers a super-grade-A office building with an occupancy rate of 90% as at the end of the Reporting Period; (ii) retail 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 and over 4 restaurants that won Michelin stars, 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 a high-end medical clinic Zallhui (卓爾薈); (v) art gallery conducted through Fosun Foundation Art Center (Shanghai).

During the Reporting Period, BFC recorded total operating revenue of RMB827 million, representing an increase of 3% from the same period of 2022; operating EBITDA was RMB532 million, which remained largely unchanged as compared with the same period of 2022. In terms of financing, about RMB3.0 billion asset-backed securities were successfully issued in 2023. In 2023, BFC heightened its efforts both online and offline which added about 230,000 members, and the total number of members was over 1 million as at the end of the Reporting Period. In respect of offline operation, BFC launched the Bund Art Festival (藝術季), Music Festival (音樂季) and Fashion Festival (時尚季) and other highlighted activities in succession. By creating its own IP festivals, BFC more accurately reached the trendy young population.

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 families to meet their desires for a better life, and securing its building of the "Happiness Ecosystem". At the same time, 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 "Grand Yuyuan" that integrates culture, art, tourism, consumption, finance, commerce and natural scenery with full upgrade of its overall regional image and industrial ecosystem to become the most representative new 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		36,346
Fosun Foundation Art Center (Shanghai)		4,211

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 year ended 31 December 2023	For the year ended 31 December 2022	Change over the same period of last year
Revenue	**12,755.6**	10,355.6	23.2%
Profit attributable to owners of the parent	**934.1**	1,201.9	(22.3%)

During the Reporting Period, the revenue of the Intelligent Manufacturing segment amounted to RMB12,755.6 million, representing a year-on-year increase of 23.2%, and profit attributable to owners of the parent amounted to RMB934.1 million, representing a year-on-year decrease of 22.3%. The main reason for the increase in revenue was due to business growth of Easun Technology. The main reason for the decrease in profit was that the Group has disposed of Nanjing Nangang and Jianlong Shares, and the segment no longer shared the profit of joint ventures and associates, such as Nanjing Nangang and Jianlong Shares during the Reporting Period.

Hainan Mining

As at the end of the Reporting Period, the Group held 45.80% equity interest in Hainan Mining.

During the Reporting Period, Hainan Mining focused on the operation of two types of resources industry of iron ore as well as oil and gas, mainly including (i) iron ore mining, processing and sales business; (ii) upstream full cycle business including oil and gas exploring, assessing, developing and producing business; and (iii) commodity trade and processing business. During the Reporting Period, Hainan Mining recorded revenue of RMB4,679 million, representing a decrease of 3.13% year-on-year; net profit attributable to shareholders of the listed company of RMB625 million, representing an increase of 1.67% year-on-year; net cash flows from operating activities of RMB1,545 million, representing an increase of 21.83% year-on-year.

As an upstream company focusing on strategic resources, Hainan Mining has a certain scale of reserves in important resource fields such as iron ore, oil and gas, and lithium ore. As at the end of the Reporting Period, the main mineral resource reserves of Hainan Mining were as follows: the mineral resources within the mining rights of Shilu Iron Mine were approximately 243 million tonnes, with an average grade of 43.99%; the confirmed and estimated net equity reserves of crude oil were 8.42 million barrels, and the confirmed and estimated net equity reserves of natural gas were 83.3 billion cubic feet; the mineral resources within the mining rights of the Bougouni lithium mine in Mali Africa was approximately 31.9 million tonnes, and the average lithium oxide grade was 1.06%.

During the Reporting Period, Hainan Mining achieved a steady increase in output from its main business. Iron ore output remains stable: Shilu branch has achieved underground mining production capacity for two consecutive years. The annual underground mining output was 5.0663 million tonnes, representing a year-on-year increase of 2.12%. The finished ore output was 2.6017 million tonnes, of which the lump ore output was 1.8088 million tonnes, representing a year-on-year increase of 3.94%. The oil and gas business achieved a record high in production: ROC's annual oil and gas equity production was 6.2616 million barrels of equivalent, representing a year-on-year increase of 15.53%. Among them, the eastern area of the Weizhou 12-8 oil field achieved sustained high production during the Reporting Period; the Bajiaochang Gas Field has been put into operation with the completion and operation of the Jiao 70 well de-hydrocarbonization and boosting project, and the external transmission bottleneck has been solved. At the same time, the Jiao 75, 77, and 109 well groups have been put into production one after another, and the commissioning of LNG trial production in the Jiao 76 well group, bringing the daily natural gas production to 2.6 million cubic meters.

During the Reporting Period, the construction of key projects of Hainan Mining underwent orderly, laying a solid foundation for the sustainable business development of different main tracks. The construction of -120m~-360m middle range mining engineering project of Shilu iron field completed drilling of 8,503 meter throughout the year, completing 46% of the total progress of the project. The construction of magnetized roasting project made significant progress, the roasting system (section I) ignited the oven in October 2023 successfully, and the project planned to complete full-process production debugging in mid-2024 and officially go into production within the year. After completing land leveling in the first half of the year, the 20,000-tonne battery grade lithium hydrogen oxide project (phase I) has entered the construction fast track. The project has made significant progress in the second half of the year, and the construction progress and quality control are in order. It is expected to be completed and put into operation in July 2024.

During the Reporting Period, Hainan Mining actively facilitated investments and mergers and acquisition in upstream oil and gas and new energy industry, and accelerated strategic transformation. In November 2023, Hainan Mining completed the acquisition of 49% equity interest in ROC at a cash consideration of USD163 million, ROC officially became a wholly-owned subsidiary of Hainan Mining. In the same month, Hainan Mining proposed to make an investment of USD118 million in KOD and its wholly-owned subsidiary, namely KMUK. As a result, Hainan Mining obtained a controlling stake in the lithium mine asset of Bougouni in Mali, Africa. Hainan Mining held 14.72% of KOD's equity and the actual controls 51% of KMUK's equity. Hainan Mining is pushing forward the development of the Bougouni lithium mine together with its partner KOD actively, and has launched the construction of the first phase of lithium concentrate beneficiation production line during the Reporting Period. After the production line is completed and reaches capacity, it is expected to produce 100,000-120,000 tonnes of lithium concentrate with a grade of more than 5.5% per year. An industrial chain integrating upstream resources and lithium salt processing has the preliminary scale in Hainan Mining's new energy industry.

In order to ensure rapid business development, Hainan Mining has improved its management level from multiple dimensions: During the Reporting Period, Hainan Mining Shilu branch completed the overall planning of the smart mine construction project; Hainan Mining continued to promote equity incentives and reserved and granted restricted rights to several incentive targets. In addition, the ESG governance standard of Hainan Mining has been improved continuously, and it was awarded the title of "Green Mine" in Hainan Province. It was selected as the "2023 Best ESG Practice Cases of Listed Companies" by the China Association of Public Companies. It distributed annual cash dividends of RMB200 million and implemented share repurchases for the first time. The plan reflects the great emphasis on shareholder returns. In early 2024, Hainan Mining was recognized as a high-tech enterprise for the first time.

Looking forward to 2024, centering on the national "14th Five-Year Plan" strategic development plan, Hainan Mining promotes the implementation of strategic goals with the dual drive of industrial operations and industrial investment. In terms of industrial operations, Hainan Mining Shilu branch will strive to achieve the production and operation goal of 2.75 million tonnes of finished ore production and ROC will strive to achieve the goal of 7.15 million barrels of oil and gas equity production, accelerate the construction of key engineering projects such as magnetization roasting, lithium hydroxide, and Mali lithium mine, and realize the production of various projects on schedule. At the same time, Hainan Mining will continue to promote cost reduction and efficiency improvement through lean management, technological innovation, digital construction and other methods to strengthen cost competitiveness. On the other hand, Hainan Mining will continue to leverage the advantages of the Group in global industrial investment, actively respond to the joint construction of the "Belt and Road" initiative, focus on investment and mergers and acquisitions in the resources and energy fields, and focus on upstream new energy resources, high-quality non-ferrous metal resources and natural gas projects, create a global resource industry ecosystem.

The key production of iron ore of Hainan Mining during the Reporting Period was as follows:

	Finished iron ore output (thousand tons)	Iron ore reserves[Note] (million tons)
2023	2,601.7	243
2022	2,667.1	249
Year-on-year change	-2.45%	-2.41%

Note: According to the "General requirements for mineral exploration GB/T 138908-2020" Standards of the PRC, the figures in 2023 were estimated figures.

Wansheng

As at the end of the Reporting Period, the Group held 29.56% equity interest in Wansheng.

During the Reporting Period, the operating income of Wansheng was RMB2.850 billion, a year-on-year decrease of 20.03%; the net profit attributable to shareholders of listed company was RMB0.184 billion, a year-on-year decrease of 49.69%. Mainly due to the decline in global terminal consumer demand, the expansion of production capacity in the industry, changes in the market supply and demand pattern, and the decline in the price of main raw materials, the price of flame retardants, the main product of Wansheng and the gross profit per ton have declined year-on-year.

In terms of market development, Wansheng has fully committed to promoting market development and gathering development potential. During the Reporting Period, the relationship with regular customer was maintained stably, and the number of transaction customers remained at more than 2,000. Business units developed more than 800 new customers. Flame retardants maintained its leading position in the world, with sales volume reaching 102,000 tonnes; sales volume of coating additives reached 21,700 tonnes, a year-on-year increase of 99.03%; sales volume of amine additives and catalysts reached 27,600 tonnes; raw material and intermediate business production capacity was gradually released, with sales volume reaching 33,000 tonnes; the daily chemical surface activity business has reached more than 100 customers, and has successfully reached cooperation agreements with nearly 10 major customers.

In terms of R&D and innovation, Wansheng deepened its innovation drive and comprehensively cultivates development momentum. As at the end of the Reporting Period, Wansheng had a total of 64 invention patents, 66 utility model patents, 7 software copyrights, and 86 applications of patents (including 74 invention patents and 12 utility model patents).

In terms of investment, during the Reporting Period, Wansheng, local government and the Group, etc. jointly established Linhai Fosun Wansheng New Materials Equity Investment Fund Partnership (Limited Partnership), centring on the direction of Wansheng industrial chain and focusing on enterprises with high-quality standards for new chemical materials in the fields of functional new materials, new energy and low carbon, electronic data and semiconductors, biosynthesis and other fields which will help Wansheng develop rapidly through diversified investment methods such as industrial investment (incubation, equity participation) and financial investment and promote the transformation and upgrade of related industries. In addition, during the Reporting Period, Wansheng sold its Fujian subsidiary to slim down the business, further focused on its main business, and optimized its assets and business structure.

In 2024, Wansheng will strive to adhere to its strategic goal of "deepening and cultivating its core business with good ecosystem strategy", leverage its competitive advantages and extend its industrial chain of its core business of flame retardants. At the same time, Wansheng will accelerate the expansion and development of its businesses, actively engage in its strategic businesses, continue to maintain its market share, and explore the growth of performance. Wansheng will focus on accelerating the implementation of new productions and construction of new projects and technological renovation projects, enlarge and consolidate its base and foundation of development. In addition, Wansheng will continue to adhere to its development strategy and meet the market demand, while developing and implementing a number of innovative projects with high technology and profit margins, so as to accelerate the commercialization of the technology achievement and inject a new impetus for growth.

Easun Technology

As at the end of the Reporting Period, the Group and the non-consolidated entities held in total 82.42% equity interest in Easun Technology.

During the Reporting Period, benefiting from the high prosperity of domestic new energy vehicles and the acceleration of electrification by European and American vehicle manufacturers, the new orders worldwide of Easun Technology were RMB8.520 billion, a year-on-year increase of 25.75%. Its overseas orders have significantly increased: in 2023, new orders reached RMB6.291 billion, a year-on-year increase of 62%, among which, the new orders for North American business reached RMB1.927 billion, a year-on-year increase of 70%.

In the future, Easun Technology will enhance the profitability and competitiveness of the main business of the automotive industry continuously, expand its performance scale and market share, fully utilize its own automation technology accumulation and expand automation customers in other industries. Meanwhile, Easun Technology is continuing to invest in R&D and global supply chain construction to expand its existing proprietary technologies and standard product sequences in laser, vision, lightweight fixture, etc., Easun Technology builds superior intelligent equipment through endogenous R&D and outbound mergers and acquisitions to reduce production costs and improve the competitiveness. Easun Technology will also accelerate the development of industrial digitization business and provide customers with complete smart factory solutions.

FINANCIAL REVIEW

Net Interest Expenditures

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB12,074.2 million in 2023 from RMB10,474.3 million in 2022. The increase in net interest expenditures in 2023 was mainly attributable to the increase in interest rate of borrowings. The interest rates of borrowings in 2023 were approximately between 0.0% and 12.4%, as compared with approximately between 0.0% and 12.1% for the same period of last year.

Tax

Tax of the Group decreased to RMB2,524.6 million in 2023 from RMB7,694.8 million in 2022. The decrease in tax mainly resulted from the decrease in taxable profit of the Group.

Basic Earnings Per Share Of Ordinary Shares

Basic earnings per share attributable to ordinary equity holders of ordinary shares of the parent was RMB0.17 in 2023, representing an increase of RMB0.27 from loss of RMB0.10 per share in 2022. Diluted earnings per share attributable to ordinary equity holders of ordinary shares of the parent was RMB0.17 in 2023. The weighted average number of shares was 8,174.2 million shares for 2023, which was 8,265.0 million shares for 2022.

Equity Per Share Attributable To Owners Of The Parent

As at 31 December 2023, equity per share attributable to owners of the parent was RMB15.23, representing an increase of RMB0.54 per share from RMB14.69 per share as at 31 December 2022. The total comprehensive revenue attributable to owners of the parent in 2023 was RMB4,230.5 million. The dividend distributed on 18 July 2023 was RMB103.3 million. The sum of above contributes to the increase in equity per share attributable to owners of the parent.

Proposed Final Dividend

The Board has recommended the payment of a proposed final dividend of HKD0.038 per ordinary share for the year ended 31 December 2023. Subject to the approval of the Company's shareholders at the Company's annual general meeting to be held on 6 June 2024, the proposed final dividend will be paid to the Company's shareholders on 19 July 2024. There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

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 business.

As at 31 December 2023, the Group's capital commitment contracted but not provided for was RMB10,400.4 million. These were mainly committed for addition of plant and machinery and investments. Details of capital commitment are set out in note 59 to financial statements.

Indebtedness And Liquidity Of The Group

As at 31 December 2023, the total debt of the Group was RMB211,923.9 million, representing a decrease from RMB226,919.2 million as at 31 December 2022, which was mainly due to the decrease in borrowings as a result of the Group's active management at maturing debts in advance. As at 31 December 2023, mid-to-long-term debt of the Group accounted for 55.0% of total debt, while 53.2% as of 31 December 2022. As at 31 December 2023, cash and bank balance and term deposits decreased by RMB8,104.4 million to RMB92,459.6 million as compared with RMB100,564.0 million as at 31 December 2022.

During the Reporting Period, the average financing cost was 5.60%, which increased by 89 percentage point as compared to that of 2022.

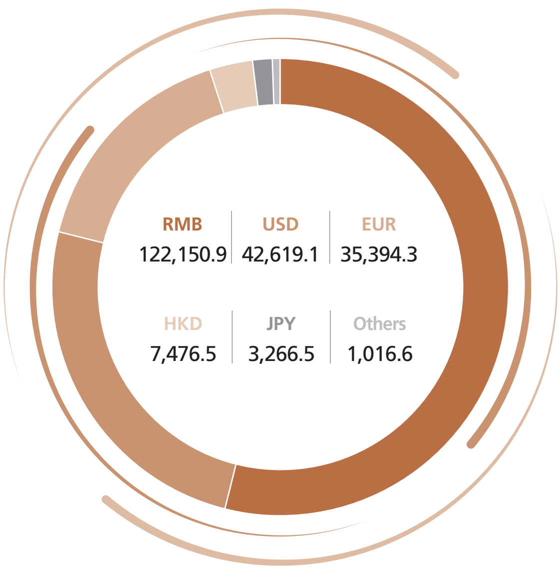
Unit: RMB million

	31 December 2023	31 December 2022
Total debt	**211,923.9**	226,919.2
Cash and bank and term deposits	**92,459.6**	100,564.0

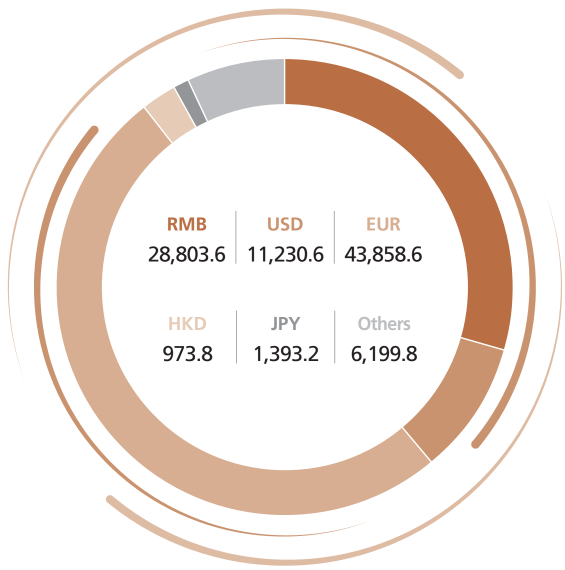
The original denomination of the Group's debt as well as cash and bank and term deposits by currencies, equivalent in RMB, as at 31 December 2023, is summarized as follows:

Unit: RMB million equivalent

TOTAL DEBT



CASH AND BANK AND TERM DEPOSITS



Total Debt to Total Capital Ratio

As at 31 December 2023, the ratio of total debt to total capital decreased to 50.4% as compared with 53.3% as of 31 December 2022. Healthy debt ratios and abundant funds can reinforce the Group's ability to defend against external risk exposure and ensure the Group to capture investment opportunities.

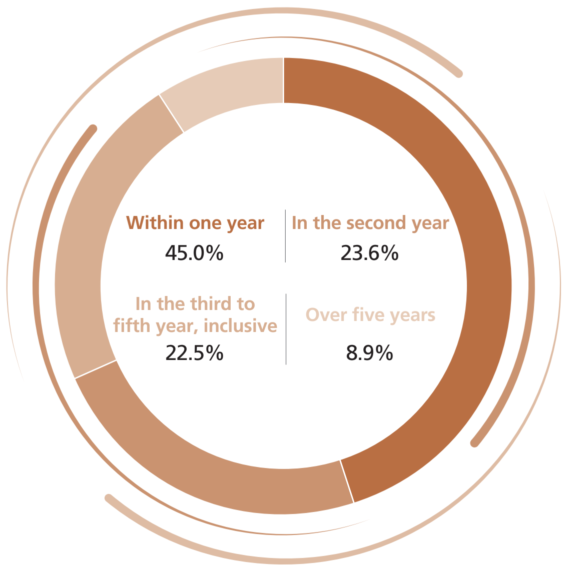
Basis Of Calculating Interest Rate

To stabilize interest expenses, the Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimize the interest rate level. As at 31 December 2023, 51.4% 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 31 December 2023 are as follows:



Available Facilities

As at 31 December 2023, save for cash and bank and term deposits of RMB92,459.6 million, the Group had unutilized banking facilities of RMB146,451.2 million. The Group has signed strategic cooperation agreements with various foreign and Chinese banks. According to these agreements, the banks committed to strengthening further on the existing relationship, and providing comprehensive financial support toward Fosun's "Health, Happiness, Wealth & Intelligent Manufacturing" businesses. Prior approval from banks in accordance with bank regulations of China must be obtained before the use of these banking facilities. As at 31 December 2023, available banking facilities under these arrangements totalled RMB329,297.2 million, of which RMB182,846.0 million was utilized.

Cash Flow

In 2023, net cash flow from operating activities was RMB9,824.5 million. Profit before tax for the year was RMB7,871.7 million. After making aggregate adjustment for the items such as investment gain and loss and financing costs included in profit before tax and offsetting the total amount of depreciation and amortisation which did not result in cash outflow, cash flow generated from operating activities increased by RMB4,706.3 million. Owing to the increase in deposits from customers of RMB5,280.1 million and the decrease in properties under development of RMB11,409.7 million, cash flow generated from operating activities increased. The decrease in investment contract liabilities of RMB3,182.6 million, the decrease in contract liabilities of RMB4,593.5 million and the tax paid of RMB4,052.5 million contributed to a decrease in the cash flow from operating activities. The increase in deposits from customers was mainly due to the increase from asset management business. The change in properties under development and contract liabilities were mainly due to property business.

In 2023, net cash flow from investing activities was RMB17,587.0 million, mainly due to the proceeds from disposal of financial assets at fair value through profit and loss, debt investments at fair value through other comprehensive income, maturity of debt investments at amortized cost, disposal of associates and disposal of partial interests in associates, disposal of investment properties, dividends and interests received from debt instruments and equity investments, dividends received from associates and interest received, which was partly offset by purchase of property, plant and equipment, purchase and construction of investment properties, purchase of intangible assets, purchase of financial assets at fair value through profit and loss, debt investments at fair value through other comprehensive income and debt investments at amortized cost, and acquisition of associates.

In 2023, net cash flow used in financing activities was RMB39,666.4 million, mainly due to the repayment of bank and other loans, payment of interest and dividends and acquisition of additional interests in subsidiaries, which was partly offset by the new bank and other borrowings, as well as capital contribution from non-controlling shareholders of subsidiaries.

Pledged Assets

As at 31 December 2023, the Group had pledged assets of RMB155,223.0 million (31 December 2022: RMB128,855.4 million) for bank borrowings. Details of pledged assets are set out in note 50 to financial statements.

Contingent Liabilities

The Group's contingent liabilities was RMB8,089.6 million as at 31 December 2023 (31 December 2022: RMB9,263.7 million). Details of contingent liabilities are set out in note 60 to financial statements.

Interest Coverage

In 2023, the interest coverage was 2.5 times as compared with 2.9 times for 2022. The decrease was mainly due to net interest expenditures of the Group increased to RMB12,074.2 million in 2023 from RMB10,474.3 million in 2022.

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 organized to meet the needs of business development and match the Group's cash flow.

FOREIGN CURRENCY EXPOSURE

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

Unit: RMB million

Year	2019	2020	2021	2022	2023
Total equity	180,924.2	192,986.9	203,119.4	199,629.8	**208,574.8**
Equity attributable to owners of the parent	122,552.3	127,732.9	130,995.0	121,520.9	**124,936.8**
Equity per share attributable to owners of the parent (in RMB)	14.35	15.16	15.75	14.78	**15.23**
Indebtedness					
Total debt	208,287.1	229,802.4	237,119.5	226,919.2	**211,923.9**
Total debt/Total capital (%)	53.5%	54.4%	53.9%	53.2%	**50.4%**
Interest coverage (times)	4.5	3.6	4.4	3.1	**2.5**
Capital employed	330,839.4	357,535.3	368,114.5	348,440.0	**336,860.7**
Cash and bank balances	94,900.5	106,847.2	96,779.5	100,564.0	**92,459.6**
Property, plant and equipment	39,610.4	42,460.2	42,387.5	45,668.2	**55,226.7**
Investment property	59,360.4	65,688.5	67,229.7	95,743.4	**93,340.8**
Property under development	51,248.3	55,195.0	51,208.9	62,079.1	**46,776.2**
Prepaid land lease payments	–	–	–	–	**–**
Mining rights	536.0	512.8	497.0	480.8	**1,311.4**
Interest in associates	88,379.5	92,254.4	92,808.9	68,654.0	**68,254.6**
Financial assets at fair value through profit or loss	61,397.4	59,163.4	70,128.2	62,331.7	**52,941.2**
Equity investments designated at fair value through other comprehensive income	898.6	746.3	535.5	396.2	**2,696.5**
Debt investments at fair value through other comprehensive income	88,442.3	89,142.3	80,908.4	63,534.9	**72,473.6**
Debt investments at amortized cost	33,578.4	34,812.9	25,984.5	25,171.8	**29,400.3**
Profit attributable to owners of the parent	14,800.9	7,999.6	10,084.5	538.7	**1,379.1**
Basic earnings per share (in RMB)	1.73	0.94	1.21	0.06	**0.17**
Diluted earnings per share (in RMB)	1.73	0.94	1.21	0.06	**0.17**
Profit contribution by each business segment					
Health	1,438.8	1,683.6	2,029.0	1,348.7	**580.2**
Happiness	2,233.9	(298.4)	(599.3)	1,561.4	**(263.9)**
Wealth	7,883.6	4,547.3	5,160.1	(3,509.8)	**237.3**
Insurance	758.5	1,158.2	1,461.3	(1,599.0)	**790.2**
Asset Management	7,125.1	3,389.1	3,698.8	(1,910.8)	**(552.9)**
Intelligent Manufacturing	3,282.5	2,102.7	3,577.6	1,201.9	**934.1**
Elimination	(37.9)	(35.6)	(82.9)	(63.5)	**(108.6)**
EBITDA	44,103.3	33,979.9	42,107.6	32,016.9	**30,503.0**
Proposed dividend per share (in HKD)	0.400	0.220	0.300	0.014	**0.038**

The Board is pleased to present the corporate governance report of the Group for the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance its corporate value and accountability.

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.

A. CORPORATE CULTURE

As a global innovation-driven consumer group, Fosun insists on twin-driver strategy of "Profound Industry Operations + Industrial Investment", aims at the mission of "creating happier lives for families worldwide", and takes the vision of "rooted in China, creating a global happiness ecosystem fulfilling the needs of one billion families in Health, Happiness, and Wealth". Over the years, Fosun has always followed the cultural values of "Self-improvement, Teamwork, Performance, Contribution to society", insisted on establishing business for good, emphasized the corporate governance concept of ESG sustainable development, and created value for customers, partners, investors, all parties in society and employees.

B. THE BOARD

a) Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group. The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and its shareholders at all times.

b) Delegation of Management Function

The Board takes responsibility for all major matters of the Company including the approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflicts of interest), financial information, appointment of Directors and other significant financial and operational matters.

The day-to-day management, administration and operation of the Company are delegated to the senior management by the Board. The delegated functions and work tasks are periodically reviewed. Under the leadership of the Chief Executive Officers, the senior management is responsible for the daily operation of the Company.

On a monthly basis, the senior management provides the Directors with operational and financial reports of the Group's performance, position and prospects. The Board considered the monthly reports given by the senior management to the Directors are sufficient to enable the Directors to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner.

c) Board Composition

The Board for the year ended 31 December 2023 comprised the following Directors:

Executive Directors

Mr. Guo Guangchang *(Chairman)*
Mr. Wang Qunbin *(Co-Chairman)*
Mr. Chen Qiyu *(Co-Chief Executive Officer)*
Mr. Xu Xiaoliang *(Co-Chief Executive Officer)*
Mr. Qin Xuetang *(resigned on 17 February 2023)*
Mr. Gong Ping
Mr. Huang Zhen
Mr. Pan Donghui *(appointed on 29 March 2023)*

Non-Executive Directors

Mr. Zhuang Yuemin *(resigned on 2 February 2023)*
Mr. Yu Qingfei
Mr. Li Shupei
Mr. Li Fuhua *(appointed on 2 February 2023)*

Independent Non-Executive Directors

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

Throughout the Reporting Period, the Board has complied with the requirement of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also compiled with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules. There is no relationship (including financial, business, family or other material/relevant relationship) among the Directors. Biographical details, including offices held in public companies or organizations and other significant commitments, of the Directors are set out in the section "Biographical Details of Directors and Senior Management" of this annual report.

The Board has assessed the independence of all the independent non-executive Directors and considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company, and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgement.

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in Board meetings, and serving on Board committees, all independent non-executive Directors have made various positive contributions to the development of the Company.

d) Independent Views of the Board

The Board has established mechanisms to ensure independent views are available to the Board. The implementation and effectiveness of such mechanisms are subject to regular review by the Board on an annual basis and details of the mechanism are set out as below:

(1) Chairpersons of major Board Committees are independent non-executive Directors.

(2) The Nomination Committee will assess the independence of a candidate for a new independent non-executive Director appointment (if any) and also the continued independence of existing independent non-executive Directors on an annual basis. All independent non-executive Directors are required to confirm in writing annually their compliance of independence requirements pursuant to the Listing Rules.

(3) Directors have full and timely access to all relevant information to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

(4) Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

(5) All Directors are encouraged to express freely their independent views and constructive challenges during the Board/ Committee meetings.

(6) No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

(7) A Director (including independent non-executive Director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

(8) The Chairman of the Board meets with independent non-executive Directors annually without the presence of other executive Directors.

e) Appointment and Re-election of Directors

The procedures of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

Each of our current non-executive Directors is appointed for a specific term of one year, and each of our current independent non-executive Directors is appointed for a specific term of three years. The term, duties and obligation of all Directors are set out in a formal letter of appointment entered into with the Company. No Director has a service contract with the Company which is not terminable by the Company within one year and without payment of compensation (other than statutory compensation).

Any new Director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following general meeting after appointment. According to Article 111 of the Articles of Association, Mr. Li Fuhua and Mr. Pan Donghui shall submit himself for re-election by shareholders at the next following general meeting after appointment, respectively. Mr. Li Fuhua has been re-elected at the extraordinary general meeting held on 16 March 2023 following his appointment, Mr. Pan Donghui has been re-elected at the 2023 AGM held on 9 June 2023 following his appointment.

At every annual general meeting, at least one-third of the Directors shall retire from office by rotation. All Directors are subject to retirement by rotation at least once every three years. According to Articles 106 and 107 of the Articles of Association, Mr. Wang Qunbin, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Zhang Huaqiao shall retire by rotation at the 2024 AGM. All of the above five retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Pursuant to B.2.3 of the CG Code, it is, inter alia, stated that if an independent non-executive director has served more than 9 years, such director's further appointment should be subject to a separate resolution to be approved by the shareholders. Mr. Zhang Huaqiao has served the Company as independent non-executive Director for over 9 years since 28 March 2012. The shareholders of the Company shall approve the re-election of Mr. Zhang Huaqiao as independent non-executive Director through a separate resolution.

While Mr. Zhang Huaqiao has served the Company as independent non-executive Director for more than 9 years, the Nomination Committee has assessed the nomination of the Director, in accordance with the adopted nomination procedures and the *Board Diversity Policy* of the Company, and considered that (1) he still have the required independence, character, integrity and experience and is able to carry out his duties as independent non-executive Director and (2) an appropriate balance between continuity of experience and refreshment of the Board can be maintained upon his re-election based on the following reasons:

(i) Mr. Zhang Huaqiao is able to confirm his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules;

(ii) Mr. Zhang Huaqiao does not have any management role in the Company and its subsidiaries;

(iii) Despite his long term of services on the Board, Mr. Zhang Huaqiao would still be able to bring fresh perspectives to the Board with his ample economic and financial experience; and

(iv) Mr. Zhang Huaqiao is considered to be independent as he has continually demonstrated strong independence in character and judgment and contributed effectively by providing impartial and objective views, and which, coupled with familiarity with the business of the Group, has proven himself to be valuable member of the Board.

Having considered the above factors, and taking into account that Mr. Zhang Huaqiao would continue to bring in fresh perspectives, objective insights and independent judgment to the Board and the Board committees of which he serves as members, the Nomination Committee therefore recommended the Board to propose him to be re-elected at the AGM despite the fact that he has been independent non-executive Director of the Company for more than 9 years. After considering the recommendation of the Nomination Committee, the Board is confident that Mr. Zhang Huaqiao remains independent and has a healthy level of professional scepticism. He will continue to make valuable contributions and bring fresh perspective to the Company by providing his unique, balanced and objective views to the Board, and would like to seek the approval from the Shareholders for his re-election as independent non-executive Director.

The Company has received annual confirmation on independence from all independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and as at the date of this report considers all of them to be independent.

f) Continuous Professional Development of Directors

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the businesses and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Continuing briefing and professional development for Directors will be arranged whenever necessary.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internal briefings for Directors are arranged by the Company and reading materials on relevant topics are issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company has arranged trainings and provided reading materials for the Directors at the expense of the Company. On the other hand, Directors have provided records of the trainings they received to the Company. The Board considered the trainings attended by the Directors are sufficient to discharge their duties. A summary of the trainings attended by the Directors during the Reporting Period is as follows:

	Training Matters		
Name of Directors	**Legal and Regulatory**	**Business Update**	**Corporate Governance**
Executive Directors			
Mr. Guo Guangchang	✓	✓	✓
Mr. Wang Qunbin	✓	✓	✓
Mr. Chen Qiyu	✓	✓	✓
Mr. Xu Xiaoliang	✓	✓	✓
Mr. Qin Xuetang (resigned on 17 February 2023)	✓	✓	✓
Mr. Gong Ping	✓	✓	✓
Mr. Huang Zhen	✓	✓	✓
Mr. Pan Donghui (appointed on 29 March 2023)	✓	✓	✓
Non-Executive Directors			
Mr. Zhuang Yuemin (resigned on 2 February 2023)	✓	✓	✓
Mr. Yu Qingfei	✓	✓	✓
Mr. Li Shupei	✓	✓	✓
Mr. Li Fuhua (appointed on 2 February 2023)	✓	✓	✓
Independent Non-Executive Directors			
Mr. Zhang Shengman	✓	✓	✓
Mr. Zhang Huaqiao	✓	✓	✓
Mr. David T. Zhang	✓	✓	✓
Dr. Lee Kai-Fu	✓	✓	✓
Ms. Tsang King Suen Katherine	✓	✓	✓

Mr. Pan Donghui and Mr. Li Fuhua, being Directors appointed during the Reporting Period, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 8 March 2023 and 18 January 2023, respectively, and confirmed that they understood their obligations as directors of the Company.

g) Board Meetings

The Board meets regularly to review the financial and operating performance of the Group and approve future strategy. The Board held four regular Board meetings during the Reporting Period. The attendance records of each Director are set out below in the section "ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS".

In respect of corporate governance functions, the Board, during the Reporting Period, performed its major duties as follows:

(1) to develop, review and make recommendations to the Company's policies and practices on corporate governance;

(2) to review and monitor the training and continuous professional development of Directors and senior management;

(3) to review and monitor the Company's policies and practices for compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manuals applicable to employees and Directors; and

(5) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

h) Practice and Conduct of Board Meetings

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings (or such other period as agreed). For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting (or such other period as agreed) to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The senior management where necessary, attend regular Board meetings and other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Articles of Association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The agenda of each Board meeting is set by the Chairman in consultation with members of the Board such that they are given an opportunity to contemplate agenda items, draft and executed Board minutes were sent in a timely manner to all Directors for their comments and records, and minutes of the Board meetings recorded in sufficient details were kept by the Company Secretary.

i) Directors and Officers Liability Insurance

The Company has arranged the directors and officers liability insurance in respect of legal action against the Directors, and the insured clause and scope of coverage of year 2023/2024 have been reviewed and renewed.

j) Board Diversity Policy

The Company recognizes and embraces the benefit of having a diverse board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage and achieving long-term sustainable growth for the Group. According to the *Board Diversity Policy* of the Company, all Directors appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the board members. Selection of candidates will be based on a range of diversity perspectives, including, but not limited to ethnicity, race, nationality, gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board. In order to better understand the needs of diverse stakeholders, the Board actively implements the Board *Diversity Policy.* The Nomination Committee reviews the implementation of the Board *Diversity Policy* on an annual basis to ensure its continued effectiveness. Based on the review of the implementation of the Board *Diversity Policy* during the Reporting Period, the Nomination Committee viewed that (i) the said diversity elements have been substantially included into the board composition and (ii) the Board has the diversity of skills, experience and perspectives appropriate to the requirements of the Company's business.

As at the end of the Reporting Period, the Board appointed one female Director, namely Ms. Tsang King Suen Katherine (an independent non-executive Director). The Board targets to maintain at least the current level of female representation in the next few years. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified. Meanwhile, it is of the view of the Board that all aspects of diversity and the ability to contribute towards the Board's responsibilities should be considered as a whole in the selection of suitable potential candidates for appointment to the Board.

The Board will continue to take steps to promote gender diversity at all levels of the Group in order to develop a pipeline of potential successors to the Board to achieve gender diversity. For instance, the Board is committed to providing career development and training opportunities to female staff whom the Board considers have the suitable experience, skills and knowledge with a view to promote them to senior management or Board level in future. The Board also takes into account gender diversity when recruiting staff at mid to senior level.

C CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Reporting Period, the posts of Chairman and Co-Chairman are Mr. Guo Guangchang and Mr. Wang Qunbin, respectively; the posts of Co-Chief Executive Officers are Mr. Chen Qiyu and Mr. Xu Xiaoliang. This segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business operations. Their respective responsibilities are clearly established and set out in writing.

The Chairman's job responsibilities are to ensure all Directors are properly briefed on issues arising in the Board meetings; to ensure that Directors receive adequate information in a timely manner, and the relevant information is accurate, clear, complete and reliable; to lead the Board; to ensure the Board operates effectively, performs its duties, and discusses all important and appropriate matters in a timely manner; to be primarily responsible to decide and approve the agenda of each Board meeting and add other items into the agenda upon request from other Directors (where applicable), which can be delegated to other Directors or the Company Secretary; to ensure the Company to adopt a sound corporate governance code and procedure; to encourage all Directors devoting themselves to the Board's matters and to ensure the Board acts in the best interest of the Company to take the lead; to encourage Directors with different opinions to express their concerns and give adequate time to discuss and to ensure the decisions of the Board fairly reflect consensus of the Board; to meet with the independent non-executive Directors at least once annually, without the presence of other Directors; to ensure appropriate procedures to keep effective communication with the shareholders and to ensure shareholders' opinions are delivered to the whole Board; to promote a culture of openness and debate by facilitating the effective contribution of Directors (especially non-executive Directors and independent non-executive Directors) to the Board, and to ensure constructive relationship among executive Directors, non-executive Directors and independent non-executive Directors.

The Chief Executive Officer's job responsibilities are to lead the management to operate the daily business of the Group in line with the business plan and budget approved by the Board; to lead the management to ensure an efficient co-operation relationship with the Chairman and the Board and to meet or communicate with the Chairman regularly to review the key development, matters, opportunities and concerns; to establish and give advice on the Group's strategy and policy for the Board's consideration; to implement the strategy and policy approved by the Board or Board committees and achieve the goal of the Group with the assistance of the management; to continuously discuss with the Chairman on those key and fundamental topics and to ensure the Board to be informed of those topics; to ensure the management to provide report to the Board in priority, including appropriate, accurate, timely and clear material to assist the Board in performing its responsibilities; to ensure the Board (especially the Chairman) to notice the complicated, controversial and sensitive matters of the Group in advance; to lead the communication plan with the equity holders (including shareholders); and to direct the Group's business in line with the common practice and procedures adopted by the Board, to encourage the Group to maintain the highest integrity, justice and corporate governance level.

D. BOARD COMMITTEES

The Board has established the Audit Committee, Remuneration Committee, Nomination Committee and Environmental, Social and Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company were established with defined written terms of reference. The terms of reference of the above-mentioned Board committees are posted on the Company's website (www.fosun.com) and/or the Hong Kong Stock Exchange's website (www.hkexnews.hk) and are available to Shareholders upon request.

As at the date of this report, the members of the above mentioned Board committees are all independent non-executive Directors. The Board committees are provided with sufficient resources to discharge their duties, and upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

As at the end of the Reporting Period, the Audit Committee comprised four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine. 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 include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function or external auditors before submission to the Board;

- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and

- To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems (including the adequacy of resources, qualification and experience of staff of the Company's accounting, internal audit and financial reporting function, their training programmes and budget) and associated procedures.

The Audit Committee held three meetings during the Reporting Period. The attendance records of each member of the Audit Committee are set out below in the section "ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS".

The work performed by the Audit Committee during the Reporting Period is summarized as follows:

(1) Reviewed and approved the Audit Planning 2022 of the Group;

(2) Reviewed the financial results and reports of the Group for the year ended 31 December 2022, and for the six months ended 30 June 2023, and recommend approval by the Board;

(3) Reviewed the effectiveness of the risk management and internal control system and recommend action to the Board where appropriate; and

(4) Considered and approved the terms of engagement and fees proposed by the external auditor and recommended to the Board on the re-appointment of the external auditor.

The Company's annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

Remuneration Committee

As at the end of the Reporting Period, the Remuneration Committee comprised five independent non-executive Directors, namely Mr. Zhang Huaqiao (Chairman), Mr. Zhang Shengman, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.

The main duties of the Remuneration Committee include the following:

- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management after assessing their performance, on the remuneration of non-executive Directors and independent non-executive Directors, as well as on the remuneration policy and structure for all Directors and senior management;

- To review and approve the terms of the executive directors' service contracts;

- To be responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. The remuneration of the Directors and senior management will be determined by reference to the performance of the individual and the Company as well as market practice and conditions;

- To review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

- To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee held two meetings during the Reporting Period. The attendance records of each member of the Remuneration Committee are set out below in the section "ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS".

The work performed by the Remuneration Committee during the Reporting Period is summarized as follows:

(1) Reviewed the remuneration report of the executive Directors for the year 2022;

(2) Reviewed the target proposal and remuneration package of the executive Directors for the year 2023;

(3) Reviewed the changes to the remuneration structure of Directors and senior management;

(4) Reviewed and discussed the remuneration of Directors appointed during the Reporting Period and made recommendations to the Board; and

(5) Considered and made recommendation to the Board in respect of the grant of (i) the 2023 First Award Shares, (ii) the 2023 First Share Options, (iii) the 2023 Second Award Shares and (iv) the 2023 Second Share Options. For further details of such grant of award shares and share options, please refer to section headed "SHARE AWARD SCHEMES" and "SHARE OPTION SCHEMES" under the "Directors' Report" in this annual report.

Nomination Committee

As at the end of the Reporting Period, the Nomination Committee comprised five independent non-executive Directors, namely Mr. David T. Zhang (Chairman), Mr. Zhang Shengman, Mr. Zhang Huaqiao, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.

The main duties of the Nomination Committee include the following:

- To review the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

- To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

- To assess the independence of the independent non-executive Directors; and

- To make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorship:

(1) *Board Diversity Policy* and any measurable objectives adopted for achieving diversity on the Board including but not limited to gender, age, cultural and educational background, and professional experience;

(2) Personal integrity;

(3) Time commitments of such individuals;

(4) The Company's needs; and

(5) Other relevant statutory requirements and regulations.

The Nomination Committee has adopted a set of nomination procedures for selection of candidates for directorship of the Company as below:

(1) When it is necessary to fill a causal vacancy or appoint an additional Director, the Nomination Committee identifies or selects candidates pursuant to the criteria set out above;

(2) When it is necessary to re-appoint an existing Director, the Nomination Committee reviews overall contribution and service of the retiring Director to the Company and determine whether the retiring Director continues to meet the criteria as set out above;

(3) The Nomination Committee makes recommendation to the Board; and

(4) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

The Nomination Committee held one meeting during the Reporting Period. The attendance records of each member of the Nomination Committee are set out below in the section "ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS".

The work performed by the Nomination Committee during the Reporting Period is summarized as follows:

(1) Reviewed the structure, size, composition and diversity of the Board;

(2) Assessed the independence of the independent non-executive Directors;

(3) Discussed and made recommendation to the Board in relation to the re-appointment of retiring Directors at the 2023 annual general meeting; and

(4) Selected and recommended candidates for the appointment of new directors in accordance with the nomination procedures during the Reporting Period.

Environmental, Social and Governance Committee

As at the end of the Reporting Period, the Environmental, Social and Governance Committee comprised five independent non-executive Directors, namely Dr. Lee Kai-Fu (Chairman), Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Ms. Tsang King Suen Katherine.

The Environmental, Social and Governance Committee was established to assist the Board in providing direction on and overseeing the development and implementation of the ESG initiatives of the Group. The main duties of the Environmental, Social and Governance Committee include the following:

- To oversee the development of the ESG vision, strategies and policies;
- To oversee the implementation of the ESG vision, strategies and policies;
- To oversee the funding of ESG initiatives; and
- To oversee the external communications policies.

The Environmental, Social and Governance Committee held two meetings during the Reporting Period. The attendance records of each member of the Environmental, Social and Governance Committee are set out below in the section "ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS".

The work performed by the Environmental, Social and Governance Committee during the Reporting Period is summarized as follows:

(1) Considered and reviewed the 2022 ESG report; and

(2) Reviewed the ESG working progress, discussed the ESG working plans.

E. ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board committee meetings in 2023, and annual general meeting and extraordinary general meeting of the Company held for the year of 2023 is set out in the table below:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Environmental, Social and Governance Committee	Annual General Meeting	Extraordinary General Meeting
Executive Directors							
Mr. Guo Guangchang	8/8	–	–	–	–	1/1	1/1
Mr. Wang Qunbin	8/8	–	–	–	–	1/1	1/1
Mr. Chen Qiyu	8/8	–	–	–	–	1/1	1/1
Mr. Xu Xiaoliang	8/8	–	–	–	–	1/1	1/1
Mr. Qin Xuetang (resigned on 17 February 2023)	2/2	–	–	–	–	–	–
Mr. Gong Ping	4/4	–	–	–	–	1/1	1/1
Mr. Huang Zhen	8/8	–	–	–	–	1/1	1/1
Mr. Pan Donghui (appointed on 29 March 2023)	5/5	–	–	–	–	1/1	–
Non-Executive Directors							
Mr. Zhuang Yuemin (resigned on 2 February 2023)	0/2	–	–	–	–	–	–
Mr. Yu Qingfei	8/8	–	–	–	–	1/1	1/1
Mr. Li Shupei	8/8	–	–	–	–	1/1	1/1
Mr. Li Fuhua (appointed on 2 February 2023)	6/6	–	–	–	–	1/1	1/1
Independent Non-Executive Directors							
Mr. Zhang Shengman	8/8	3/3	2/2	1/1	2/2	1/1	1/1
Mr. Zhang Huaqiao	8/8	–	2/2	1/1	2/2	1/1	1/1
Mr. David T. Zhang	8/8	3/3	2/2	1/1	2/2	1/1	1/1
Dr. Lee Kai-Fu	8/8	3/3	2/2	1/1	2/2	1/1	1/1
Ms. Tsang King Suen Katherine	8/8	3/3	2/2	1/1	2/2	1/1	1/1

F. 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 relevant employees who are likely to be in possession of undisclosed 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.

G. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board is responsible for presenting a balanced and clear assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2023. The senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

H. EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of Ernst & Young, the external auditors of the Company, about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" of this annual report.

During the Reporting Period, the remuneration paid to Ernst & Young, the external auditors of the Company, in respect of professional audit services, amounted to RMB11.90 million and no significant non-audit services were provided by Ernst & Young to the Company.

I. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes, maintains and reviews the effectiveness of the risk management and internal control systems. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems efficiently, and the management provides a confirmation to the Board on the effectiveness of these systems. The Company identifies, evaluates and monitors significant risks faced by the Company and builds up its risk management and internal control systems aiming at risk control, taking into consideration (i) the findings of internal audits and issues revealed during operation and management, (ii) audit findings of external auditors to achieve the goal of risk control, (iii) the changes, since the last review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment; (iv) the scope and quality of management's ongoing monitoring of risks and of the internal control systems and the work of the internal audit function, (v) the extent and frequency of communication of monitoring results to the Board or the Audit Committee which enables it to assess control of the Company and the effectiveness of risk management; (vi) significant control failings or weaknesses that have been identified during the period as well as the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and (vii) the effectiveness of the Company's processes for financial reporting and regulatory compliance. Such significant risks include ESG risks, decision-making risks of operation, financial control risks, and the risks arising from changes in business environment. The Board acknowledges that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The internal audit department of the Company conducts independent reviews on the adequacy and effectiveness of the existing risk management and internal control systems according to the audit strategy and annual audit plan of the Company. These reviews are performed annually. It is also responsible for monitoring the stable and proper operation and improvement of the risk management and internal control systems. Audit findings of the Company are reported to the Audit Committee, and the Board oversees the implementation of any remedial and improvement measures to be taken. After following up and checking, such measures have been taken as expected to resolve material internal control defects.

With respect to procedures and internal control for the handling and dissemination of inside information, the Company is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules; conducts its affairs with close regard to the *Guidelines on Disclosure of Inside Information* issued by the Securities and Futures Commission; has included in the Group's Code of Conduct a strict prohibition on the unauthorized use of confidential or inside information; ensures through its own internal reporting processes and the consideration of their outcome by the management, the appropriate handling and dissemination of inside information.

During the Reporting Period, the Board has reviewed the effectiveness of the risk management and internal control systems of the Group. The Company continued to improve the standardization and systematic development of the internal control system, covering the functions of financial control, operational control, compliance control and risk management. The internal audit department of the Company has carried out independent internal control audits in respect of those significant risk areas, such as corporate governance, financial income and expenses, equity investment, project management, asset management, information management etc., and has reported to the Audit Committee regularly in respect of the effectiveness of the risk management and internal control systems and significant risks. The boards of directors of the subsidiaries have submitted evaluation reports to the Company on the effectiveness of the risk management and internal control systems. The Company considers that its risk management and internal control systems are effective and adequate.

J. COMPANY SECRETARY

The Company Secretary is the employee of the Company. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring that Board meeting procedures are followed and for facilitating information flows and communications among Directors as well as with management.

The Company Secretary's biography is set out in the section of "Biographical Details of Directors and Senior Management" in this annual report. During 2023, the Company Secretary has received over 15 hours of professional training.

K. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

In order to enhance corporate governance, the Company has formulated a shareholder communication policy, which sets out, among other things, how Shareholders can communicate their views on various matters affecting the Company and how the Company solicits and understands the views of Shareholders and stakeholders.

In accordance with the shareholder communication policy, the Group has taken various steps to solicit and understand the views of Shareholders and stakeholders. The Group delivers its most updated information through, among others, announcements made on the Hong Kong Stock Exchange's website, communication with analysts, meetings with investors, maintenance of the website of the Company concerning investor relations, dissemination of investor's newsletter and public forum.

Below is a list of major investor relations events conducted by the Group during the Reporting Period:

2023 1st Half	**Annual Results Announcement** Press Conference Analyst Earnings Call **Roadshows in Shanghai, Beijing, Shenzhen, Hong Kong, and European Region** **Investor Conferences in Asia**

2023 2nd Half	**Interim Results Announcement** Press Conference Analyst Earnings Call **Roadshows in Shanghai, Beijing, Shenzhen, and Hong Kong** **Investor Open Day in Shanghai**

The general meetings of the Company provide a forum for communication between the Board and the Shareholders. The Chairman as well as the Chairman of the Audit, Remuneration, Nomination and Environmental, Social and Governance Committees and, in their absence, other members of the respective committees and, where applicable, the Chairman of the Independent Board Committee, are able to solicit and understand the views of Shareholders and stakeholders at general meetings.

The Company also endeavors to distribute material information about the Group to the public. To promote effective communication, the Company maintains a website at www.fosun.com, where information and updates on the Company's business developments and operations, financials, investor relations, and other information are available to the public.

Having considered the above adopted measures for communication with Shareholders, the Directors have reviewed the implementation of the shareholder communication policy and considered such policy effective during the Reporting Period.

There are no changes in the Articles of Association during the Reporting Period. The up-to-date version of the Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

L. SHAREHOLDER RIGHTS

Shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may request the Board to convene an extraordinary general meeting of the Company subject to Sections 566 to 580 of the Companies Ordinance (Chapter 622) and Article 56 of the Articles of Association. The objects of the meeting must be stated in the related requisition which must be signed by the requisitionist(s) and deposited at the registered office of the Company.

To safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings for each substantially separate issue, including the election of individual Directors.

Subject to Sections 580 to 583 of the Companies Ordinance (Chapter 622), qualified shareholder(s) may put forward any proposals for discussion at the next general meeting of the Company by making requisition to the Board using contact details below in the section "Contact Details".

The rights of shareholders and the procedures for demanding a poll on resolutions at general meetings are contained in the Articles of Association and the Companies Ordinance (Chapter 622). Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results announcement will be posted on the websites of the Company and the Hong Kong Stock Exchange in the manner prescribed by the Listing Rules.

Putting Forward Enquiry/Requisition to the Board

For putting forward any enquiries or requisitions to the Board, shareholders may send written enquiries/requisitions to the Company.

Contact Details

Shareholders may send their enquiries or requisitions as mentioned above to the following:

Company Name: Fosun International Limited
Address: Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong

For the avoidance of doubt, shareholders must send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Key Shareholder Dates

Key shareholder dates for 2024 are:

- June 2024: annual general meeting;
- August 2024: release of announcement of interim results in respect of the six months ending 30 June 2024; and
- September 2024: release of interim report in respect of the six months ending 30 June 2024.

M. DIVIDEND POLICY

The Company adopts a dividend policy of providing shareholders with regular dividends. In general, the Company will propose dividends annually when the Board approves the annual results. In determining the appropriate amount of dividend, the Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns. The general dividend policy of the Company is as follows:

- in determining its dividend payment ratio in respect of any particular financial year, the Company will take into account a desire to maintain a stable dividend level within its overall objective of maximizing shareholders' value over the longer term; and

- if the Company pays an annual dividend in respect of a financial year, the dividend would generally be paid in the form of a final dividend only.

In considering the level of dividend payments, if any, upon recommendation by the Board, the Company intends to take into account various factors, including:

- the level of the cash and retained earnings of the Company;

- expected financial performance of the Company;

- projected levels of capital expenditure and other investment plans of the Company; and

- the dividend yield of similar-sized companies, with similar growth listed in Hong Kong and with business operations comparable to those of the Company.

N. EMPLOYEES DIVERSITY

The Group continuously promotes the establishment of a healthy, diverse and inclusive workplace, so that employees can grow freely in a respected environment, compete fairly and fully display their strengths.

In strict compliance with the United Nations *Universal Declaration of Human Rights,* the Group encourages all business groups and subsidiary companies to develop corresponding policies according to the specific circumstances of the country and region where they are located, respect the tangible and intangible differences of all employees, and manage according to the five key areas of age, gender, disability, nationality and sexual orientation. The Group is committed to creating a fair, respectful, comfortable and inclusive working environment. The Group actively carries out anti-discrimination and anti-harassment training in the workplace to guide employees to treat others with respect, equality and fairness. During the Reporting Period, the Group has embraced a diversity strategy in the recruitment and promotion process and successfully achieved the Group's male to female employees ratio of 51:49 as of 31 December 2023. The Group will strive to maintain the current proportion of female employees in order to attract and retain as many talents as possible from our broad talent pool.

O. ESG RISKS

The Group has integrated ESG risks, including climate risks, into its overall risk management mechanism and has also integrated sustainability into its business operations.

The Board of Directors of the Company regularly discusses and reviews ESG risks, including them in the Group's risk assessment scope and risk management system. Besides, the Company established "ESG performance-related remuneration assessment mechanism" which include "ESG risk management" as an indicator to link the Board and senior management's remuneration to ESG. The Company's ESG Management Committee regularly reports to the Environmental, Social and Governance Committee under the Board and the ESG Board Committee on the latest trends in ESG and ESG related risks and opportunities, and provides relevant recommendations for ongoing monitoring. The Company uses risk management tools, including sensitivity analysis, scenario analysis and stress testing, to identify, evaluate and manage specific ESG risks.

The Group has embedded the consideration of ESG risk factors into the complete responsible investment process. The Group has developed a number of responsible investment strategies and a series of internal management tools embedded in the whole responsible investment process so as to comprehensively consider ESG factors. The Group also actively carries out responsible investment training for the investment teams to enhance their ESG risk awareness and sense of responsibility. The Company regularly issues ESG risk self-examination forms to its subsidiaries to identify potential ESG risks and takes corresponding management and countermeasures.

The Group also conducts ESG risk assessment on suppliers, in accordance with the *Fosun Group Supplier Code of Conduct* and the *Supplier Conduct Risk Rating List.* The suppliers' ESG risk and management level is comprehensively assessed, including human rights, fair labor conditions, business ethics, environment, health, safety and quality management, security and sustainability of business operations, procurement of suppliers, inspection and corrective measures, reporting channels and other dimensions.

Biographical Details of Directors and Senior Management

Executive Directors

Guo Guangchang   Wang Qunbin   Chen Qiyu   Xu Xiaoliang

Guo Guangchang, aged 56, is an Executive Director and Chairman of the Company and the founder of the Group. As at the end of the Reporting Period, he has also been a director of both Fosun Holdings and Fosun International Holdings (the direct and indirect controlling shareholders of the Company, respectively), honorary chairman of The Zhejiang Chamber of Commerce, Shanghai, etc.. Mr. Guo was honored the "Lifetime Achievement Award" by the 8th World Chinese Economic Summit, the "Lifetime Achievement Award" at the 16th CNBC Asia Business Leaders Award Ceremony, and the "50 Most Influential Business Leaders in China 2023" by *Fortune China* etc.. Mr. Guo received a bachelor's degree in philosophy in 1989 and a master's degree in business administration in 1999, both from Fudan University. Mr. Guo is the controlling shareholder of the Company who is interested in and deemed interested in the Shares, representing approximately 73.43% of the total issued Shares as at the end of the Reporting Period. Please refer to the section headed "INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES" in this annual report for details of his interest in the Shares.

Wang Qunbin, aged 54, is an Executive Director and Co-Chairman of the Company, and the founder of the Group. Mr. Wang was a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and Sinopharm (listed on the Hong Kong Stock Exchange). Mr. Wang was awarded "Asia Pacific Outstanding Entrepreneur Awards" by Enterprise Asia and "Best Asian Corporate Director" at the Asian Excellence Recognition Awards by *Corporate Governance Asia*, etc., and was named one of "China's 50 Top-performing Corporate Leaders" by *Harvard Business Review*. Mr. Wang received a bachelor's degree in genetic engineering from Fudan University in 1991.

Chen Qiyu, aged 51, is an Executive Director and Co-CEO of the Company. Mr. Chen joined the Group in 1994 and as at the end of the Reporting Period, he has also been a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and Shanghai Henlius (listed on the Hong Kong Stock Exchange), a non-executive director and vice chairman of Sinopharm (listed on the Hong Kong Stock Exchange), a director of Gland Pharma (listed on the BSE Limited and National Stock Exchange of India Limited) and various companies within the Group. Mr. Chen was a director of Sanyuan Foods (listed on the SSE) and a co-chairman of New Frontier Health Corporation (delisted from the NYSE in January 2022). As at the end of the Reporting Period, Mr. Chen has been the chairman of China Medical Pharmaceutical Material Association, a vice chairman of China Pharmaceutical Innovation and Research Development Association, the honorary chairman and chief supervisor of Shanghai Biopharmaceutics Industry Association, a member of the 14th Shanghai Standing Committee of the Chinese People's Political Consultative Conference, etc.. Mr. Chen was awarded "Asia's Best CEO" by *Corporate Governance Asia*, etc.. Mr. Chen received a bachelor's degree in genetics from Fudan University in 1993 and an EMBA degree from China Europe International Business School in 2005.

Xu Xiaoliang, aged 50, is an Executive Director and Co-CEO of the Company. Mr. Xu joined the Group in 1998, and as at the end of the Reporting Period, he has also been a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE), an executive director and chairman of FTG (listed on the Hong Kong Stock Exchange), a director of Yuyuan (listed on the SSE), Shanghai Foyo Culture & Entertainment Co., Ltd. (delisted from the NEEQ in April 2021, "**Shanghai Foyo**") and various companies within the Group. Mr. Xu was a non-independent director of Hainan Mining (listed on the SSE), a non-executive director and vice chairman of Zhaojin Mining Industry Co., Ltd. (listed on the Hong Kong Stock Exchange with stock code 01818, "**Zhaojin Mining**"), and a director of Shanghai Resource Property Consulting Co., Ltd. (delisted from the NEEQ in December 2020, "**Resource Property**"). As at the end of the Reporting Period, Mr. Xu has been a deputy to the 16th Shanghai Municipal People's Congress and the chairman of Shanghai International Fashion Federation. Mr. Xu was awarded "Asia's Best CEO" by *Corporate Governance Asia*, the "Shanghai 4 May Youth Medal" and "Shanghai Top Ten Youth Business People", etc.. Mr. Xu received a master's degree in business administration from the East China Normal University in 2002 and received an EMBA degree from Fudan University in 2019.

Executive Directors

Gong Ping

Huang Zhen

Pan Donghui

Gong Ping, aged 48, is an Executive Director, Executive President and CFO of the Company. Mr. Gong joined the Group in 2011 and as at the end of the Reporting Period, he has also been a director of Yuyuan (listed on the SSE and he resigned as the director in January 2024) and various companies within the Group. He used to serve as a senior assistant to president of the Group, the general manager of Corporate Development Department and the CEO of Fosun Hive. He was the chairman of PAREF (listed on the Euronext Paris), a non-executive director of Shanghai Zendai Property Limited (listed on the Hong Kong Stock Exchange with stock code 00755) and Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE), and a director of Shanghai Bailian Group Co., Ltd. (listed on the SSE with stock code 600827, "**Shanghai Bailian**") and Resource Property (delisted from the NEEQ in December 2020). Prior to joining the Group, Mr. Gong worked at Pudong branch and the headquarters of Bank of Shanghai as well as the PRC headquarters of Standard Chartered Bank. Mr. Gong also served as a global strategist at the headquarters of Samsung Group in Korea, carrying out special assignments across various sectors including financial services, technology and real estate worldwide. As at the end of the Reporting Period, Mr. Gong has been a council member of Shanghai Association for Youth Entrepreneurship and Employment. Mr. Gong graduated from Fudan University in 1998 with a bachelor's degree in international finance, and then obtained his master's degree in finance from Fudan University in 2005. Mr. Gong also received his master's degree in business administration from International Institute for Management Development (IMD) in Lausanne, Switzerland in 2008.

Huang Zhen, aged 52, is an Executive Director, Executive President and Chief Growth Officer (CGO) of the Company. Mr. Huang joined the Group in 2017 and as at the end of the Reporting Period, he has also been the chairman of Yuyuan (listed on the SSE) and Lanvin Group (listed on the NYSE), a non-executive director of FTG (listed on the Hong Kong Stock Exchange), a director of Shede Spirits (listed on the SSE), Resource Property (delisted from NEEQ in December 2020), Shanghai Bailian (listed on the SSE), Sanyuan Foods (listed on the SSE) and various companies within the Group. Mr. Huang was a non-executive director of Zhaojin Mining (listed on the Hong Kong Stock Exchange) and a director of Jinhui Liquor Co., Ltd. (listed on the SSE with stock code 603919). Before joining the Group, Mr. Huang was the deputy general manager of Shanghai Jahwa United Co., Ltd., and the general manager of Shanghai Herborist Cosmetics Co., Ltd., etc.. As at the end of the Reporting Period, Mr. Huang has been a member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference, a member of the 3rd Shanghai Huangpu District Standing Committee of the Chinese People's Political Consultative Conference, the chairman of Shanghai Huangpu District Federation of Industry and Commerce, the president of Shanghai Huangpu District Chamber of Commerce, the vice chairman of China Gold Association and Gems & Jewelry Trade Association of China, etc.. Mr. Huang was awarded "Leading Figures of Shanghai Industry and Commerce", "Top Ten Economic Figures in China's Circulation Industry" and "National Outstanding Commercial Entrepreneur", etc.. Mr. Huang received a bachelor's degree in economics from Shanghai University of Finance and Economics in 1994 and a master's degree in business administration from Webster University (USA) in 1998.

Pan Donghui, aged 54, is an Executive Director, Executive President and Chief Human Resources Officer (CHO) of the Company. Mr. Pan was appointed as the Executive Director of the Company in March 2023. Mr. Pan joined the Group in 1994 and as at the end of the Reporting Period, he has also been a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and FTG (listed on the Hong Kong Stock Exchange) and a director of Shanghai Foyo (delisted from NEEQ in April 2021) and various companies within the Group. Mr. Pan also served as a director of Shanghai Ganglian E-Commerce Holdings Co., Ltd. (listed on the Shenzhen Stock Exchange with stock code 300226). Mr. Pan obtained a bachelor's degree in engineering from Shanghai Jiaotong University in 1991, and a master's degree in business administration from the University of Southern California in the United States in 2009.

Non-Executive Directors

Yu Qingfei

Li Shupei

Li Fuhua

Yu Qingfei, aged 57, has been a Non-Executive Director of the Company since December 2020. Mr. Yu has management experience in banking and insurance industries for over 30 years and has been qualified as a lawyer in China since 1993. Mr. Yu was the chairman of Zhongrong Life Insurance Co., Ltd.. Prior to joining Zhongrong Life Insurance Co., Ltd., Mr. Yu worked in Guizhou Branch of Industrial and Commercial Bank of China Limited and successively served as the general manager of Legal Affairs Department, the general manager of Risk Management Department of the Guiyang Branch, the head of Guiyang Fushui Sub-branch, the head of Guiyang Yunyan Sub-branch, the deputy head of the Guiyang Branch and the head of the Zunyi Branch. Mr. Yu obtained his bachelor's degree in law from Southwest University of Political Science & Law in 1989 and obtained his master's degree in engineering from Yunnan University in 2015.

Li Shupei, aged 42, has been a Non-Executive Director of the Company since November 2022. As at the end of the Reporting Period, Mr. Li has also been a deputy head of the equity investment center and the head of research and development department of the equity center of China Everwin Asset Management Co., Ltd. and a non-executive director of Ronshine China Holdings Limited (listed on the Hong Kong Stock Exchange with stock code 03301). Mr. Li has joined China Everwin Asset Management Co., Ltd. since 2018, and served as a macro strategist and non-bank financial analyst and first level researcher at the securities investment department of China Life Asset Management Company Limited from 2015 to 2018. From 2010 to 2015, Mr. Li served as a macro analyst, strategist and vice president at the research and development department of CSC Financial Co., Ltd. (listed on the Hong Kong Stock Exchange with stock code 06066 and the SSE with stock code 601066). Mr. Li graduated from Zhengzhou University with a bachelor's degree in management in 2005, and graduated from Nankai University with a master's degree in economics in 2007 and a doctor's degree in economics in 2010, respectively.

Li Fuhua, aged 53, has been a Non-Executive Director of the Company since February 2023. As at the end of the Reporting Period, Mr. Li has also been the financial director, the head of finance and the general manager of the planning and finance department of AEON Life Insurance Co., Ltd. ("**AEON Life Insurance**"), the head of finance of AEON Insurance Asset Management Co., Ltd., a director of Shanghai Zhuli (a subsidiary of the Company) and an executive director of Wangjin Holdings (Dalian) Co., Ltd.. From 1993 to 1997, Mr. Li served as the accounting supervisor of the financial department of Jinan silk factory of Shandong Provincial Silk Corporation. From 1997 to 2000, he served as the financial supervisor and financial manager of the financial department of China Ping An Life Insurance Co., Ltd. ("**Ping An Life Insurance**") Jinan Branch. From 2000 to 2002, he served as the director of the financial department and the project manager of financial enterprise resource planning (ERP) of Ping An Life Insurance. From 2002 to 2004, he was the director of the financial management office of the financial planning department of Ping An Insurance (Group) Company of China, Ltd. (listed on the Hong Kong Stock Exchange with stock code 02318 and the SSE with stock code 601318). From 2004 to 2008, he served as the assistant general manager of the financial department of Taikang Life Insurance Co., Ltd. ("**Taikang Life Insurance**"). From 2009 to 2013, he served as the deputy general manager of the financial department of Taikang Life Insurance. From 2013 to 2017, he served as the general manager of the accounting department of AEON Life Insurance. Mr. Li graduated from Shandong College of Finance (currently known as Shandong University of Finance and Economics) with a bachelor's degree in accountancy in 1998. Mr. Li holds certificates of qualification of Senior International Finance Manager and International Certified Management Accountant.

Independent Non-Executive Directors

Zhang Shengman

Zhang Huaqiao

David T. Zhang

Zhang Shengman, aged 66, has been an Independent Non-Executive Director of the Company since December 2006. As at the end of the Reporting Period, Mr. Zhang has also been a non-executive director of Seazen Group Limited (listed on the Hong Kong Stock Exchange with stock code 01030) and an independent non-executive director of China Lilang Limited (listed on the Hong Kong Stock Exchange with stock code 01234) and Green Economy Development Limited (listed on the Hong Kong Stock Exchange with stock code 01315). Mr. Zhang worked in the PRC Ministry of Finance as a deputy director and vice secretary from 1987 to 1992. From 1993 to 2005, Mr. Zhang served as an executive director for China, vice president and chief secretary, senior vice director, managing director and chairman of the operations committee, the sanctions committee and the corporate committee on fraud and corruption policy of the World Bank. Mr. Zhang joined Citigroup Inc. (listed on the NYSE with stock code C) in February 2006, and up to May 2016 once served as the chairman of the Public Sector Group, president and chairman of Asia Pacific. Mr. Zhang received a bachelor's degree in English literature in 1978 from Fudan University and a master's degree in public administration in 1986 from University of the District of Columbia. Mr. Zhang completed the Harvard Advanced Management Program in 1997.

Zhang Huaqiao, aged 60, has been an Independent Non-Executive Director of the Company since March 2012. As at the end of the Reporting Period, Mr. Zhang has been an independent non-executive director of Zhong An Group Limited (listed on the Hong Kong Stock Exchange with stock code 00672), Logan Group Company Limited (listed on the Hong Kong Stock Exchange with stock code 03380), Luye Pharma Group Ltd. (listed on the Hong Kong Stock Exchange with stock code 02186), Radiance Holdings (Group) Company Limited (listed on the Hong Kong Stock Exchange with stock code 09993) and Haitong International Securities Group Limited (delisted from the Hong Kong Stock Exchange in January 2024). From July 1986 to January 1989, Mr. Zhang was employed at the People's Bank of China and from June 1999 to April 2006, Mr. Zhang worked at the Equities Department of UBS AG, Hong Kong Branch at which he first served as the head of China research team and later became co-head of China research team. Mr. Zhang was the chief operating officer from March 2006 to September 2008 and an executive director from May 2006 to September 2008 of Shenzhen Investment Limited (listed on the Hong Kong Stock Exchange with stock code 00604). From September 2008 to June 2011, he was the deputy head of China Investment Banking at UBS Securities Asia Limited. Mr. Zhang was also a non-executive director of Boer Power Holdings Limited (listed on the Hong Kong Stock Exchange with stock code 01685), an independent non-executive director of China Huirong Financial Holdings Limited (listed on the Hong Kong Stock Exchange with stock code 01290), and China Rapid Finance Limited (listed on the NYSE with stock code XRF), and a non-executive director, executive director and chairman of China Smartpay Group Holdings Limited (listed on the Hong Kong Stock Exchange with stock code 08325). Mr. Zhang graduated from the Graduate School of the People's Bank of China with a master's degree in economics in 1986, and from the Australian National University with a master's degree in economics in 1991.

David T. Zhang, aged 61, has been an Independent Non-Executive Director of the Company since June 2012. As at the end of the Reporting Period, Mr. Zhang had also been a senior corporate partner in the Hong Kong office of Kirkland & Ellis International LLP, a leading international law firm, from which he retired in January 2024. Admitted to the practice of law in the State of New York, USA and based in Hong Kong, Mr. Zhang specializes in securities offerings and M&A transactions. He has extensive experience representing Chinese issuers and leading investment banks in US initial public offerings, Hong Kong initial public offerings and other Rule 144A and Regulation S offerings of equity, debt and convertible securities. Mr. Zhang has represented a number of leading private equity funds, multinational corporations and sovereign wealth funds in connection with their investments and M&A transactions in the Greater China region and Southeast Asia. In addition, Mr. Zhang has successfully guided China-based companies listed in the Unites States and Hong Kong through complex mission-critical moments, counselling leaders and boards of directors on high-stakes matters at the intersection of litigation, regulatory enforcement, reputation and public policy. Mr. Zhang has been rated as a top capital markets attorney by *Chambers Global, Legal 500 Asia Pacific, IFLR1000 and Chambers Asia Pacific*. Prior to joining Kirkland & Ellis International LLP in August 2011, Mr. Zhang was a partner of Latham & Watkins LLP, a leading international law firm, for eight years. Mr. Zhang graduated from Beijing Foreign Studies University in 1981 and received his J.D. degree from Tulane University Law School in 1991.

Independent Non-Executive Directors

Lee Kai-Fu

Tsang King Suen Katherine

Lee Kai-Fu, aged 62, has been an Independent Non-Executive Director of the Company since March 2017. As at the end of the Reporting Period, Dr. Lee has also been a co-founder and the managing partner of Sinovation Ventures Development Funds, the chairman and CEO of Innovation Works Limited, a director of Sinovation Ventures (Beijing) Enterprise Management Co., Ltd., a non-executive director of Meitu, Inc. (listed on the Hong Kong Stock Exchange with stock code 01357) and the chairman and non-executive director of Qingdao Ainnovation Technology Group Co., Ltd (listed on the Hong Kong Stock Exchange with stock code 02121). Dr. Lee has also been a director of various companies in the internet, artificial intelligence and other industries. From 1988 to 1990, Dr. Lee worked at Carnegie Mellon University, where he served as an assistant professor; between July 1990 and April 1996, Dr. Lee worked at Apple Inc. (listed on NASDAQ with stock code AAPL), serving as a vice president from December 1995; from July 1998 to July 2005, Dr. Lee was the vice president of Microsoft Corporation (listed on NASDAQ with stock code MSFT); from July 2005 to September 2009, Dr. Lee was the president of Google China of Google Inc. (listed on NASDAQ with stock code GOOGL), and he was responsible for launching the Google China R&D Centre. Dr. Lee was also an independent director of LightInTheBox Holding Co., Ltd. (listed on the NYSE with stock code LITB), an independent non-executive director of Shangri-La Asia Limited (listed on the Hong Kong Stock Exchange with stock code 00069) and Hon Hai Precision Industry Co., Ltd. (listed on the Taiwan Stock Exchange with stock code 2317). Dr. Lee received his bachelor's degree and Ph.D. in Computer Science from Columbia University in 1983 and Carnegie Mellon University in 1988, respectively, as well as Honorary Doctorate Degrees from both the City University of Hong Kong and Carnegie Mellon University in 2010 and 2015, respectively.

Tsang King Suen Katherine, aged 66, has been an Independent Non-Executive Director of the Company since December 2020. Ms. Tsang is the founder of Max Giant Capital. As at the end of the Reporting Period, Ms. Tsang has also been an executive director and chief executive officer of HK Acquisition Corporation (listed on the Hong Kong Stock Exchange with stock code 07841) and an independent non-executive director of Budweiser Brewing Company APAC Limited (listed on the Hong Kong Stock Exchange with stock code 01876), Fidelity Emerging Markets Limited (listed on the London Stock Exchange with stock code FEML) and China CITIC Bank International Limited. Ms. Tsang was an independent non-executive director of Baoshan Iron & Steel Co., Ltd. (listed on the SSE with stock code 600019) from May 2006 to April 2012, the chairperson of Greater China of Standard Chartered Bank from August 2009 to August 2014, an independent non-executive director of Gap Inc. (listed on the NYSE with stock code GPS) from August 2010 to May 2018. As at the end of the Reporting Period, Ms. Tsang has been a member of the Advisory Council for China of the City of London, an honorary board member of Shanghai Jiao Tong University and a member of Finance and Investment Committee of The Boys' and Girls' Clubs Association of Hong Kong. Ms. Tsang was a member of the World Economic Forum's Global Agenda Council on China from 2009 to 2012 and a member of Sotheby's Asia Advisory Board from November 2011 to October 2014. Ms. Tsang graduated from University of Alberta, Canada with a bachelor's degree in Commerce in 1978.

SENIOR MANAGEMENT OF THE COMPANY

Sze Mei Ming, aged 46, is the Company Secretary, Senior Assistant to the President, Deputy Chief Risk Officer and General Manager of Office of Board Secretary of the Company. Ms. Sze joined the Group in 2007, and has been the Company Secretary of the Company since March 2009. Ms. Sze holds a bachelor's degree in Arts from the University of Hong Kong, a bachelor's degree in laws from the University of London and a master's degree in Chinese and Comparative Law from the City University of Hong Kong. Ms. Sze has experience in the company secretarial industry for more than twenty years and is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, and awarded with the dual designations of Chartered Secretary and Chartered Governance Professional. As at the end of the Reporting Period, she was a member of The Mainland China Technical Consultation Panel of The Hong Kong Chartered Governance Institute.

Directors' Report

The Board is pleased to present its report and the audited financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is a global innovation-driven consumer group dedicated to providing high-quality products and services for families around the world that focuses on the development of business segments such as Health, Happiness and Wealth.

BUSINESS REVIEW OF THE GROUP IN 2023

A fair view of the business of the Group in 2023 and a discussion and analysis of the material factors underlying the Group's performance, results and financial position during the year are provided in the sections headed "Business Review" and "Financial Review" under "Management Discussion & Analysis" in this annual report, respectively. Description of the major risks and uncertainties faced by the Group can be found throughout this annual report, particularly in the "Directors' Report". Particulars of important events affecting the Group that have occurred since the end of the financial year 2023, can also be found in the above mentioned sections and the Notes to Financial Statements. The outlook of the Group's business is discussed throughout this annual report including the section headed "Letter to Shareholders".

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2023 and the state of affairs of the Group at that date are set out in the financial statements and the accompanying notes of this annual report.

The Board has recommended the payment of a final dividend of HKD0.038 per Share for the year ended 31 December 2023 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 18 June 2024. Subject to approval by the shareholders of the Company at the annual general meeting of the Company to be held on Thursday, 6 June 2024 (the "**AGM**"), the proposed final dividend will be paid on Friday, 19 July 2024 to the shareholders of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "**Share Registrar**"), for registration no later than 4:30 p.m. on Friday, 31 May 2024.

The register of members of the Company will also be closed from Friday, 14 June 2024 to Tuesday, 18 June 2024, both days inclusive, during which period no transfer of shares will be effected. The ex-dividend date will be Wednesday, 12 June 2024. In order to qualify for the final dividend to be proposed at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Thursday, 13 June 2024.

SUMMARY FINANCIAL INFORMATION

A summary of the financial information for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out in the section headed "Five-Year Statistics" in this annual report.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and the Group during the Reporting Period are set out in notes 32 and 33 to financial statements, respectively.

ISSUED SHARES

Details of movements in the Company's Share during the Reporting Period are set out in note 53 to financial statements.

SUBSIDIARIES

The names of the principal subsidiaries, their principal country of operation, their countries of incorporation or other establishment and particulars of their issued share capital are set out in note 4 to financial statements.

BORROWINGS

Particulars of borrowings of the Group are set out in note 50 to financial statements.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Board considered repurchases of Shares will lead to an enhancement of the net asset value per Share and/or earnings per Share, thus the Company repurchased a total of 47,954,500 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD229,170,332.00. All the repurchased Shares were cancelled as at 27 March 2024.

Details of the repurchase are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Purchase price paid per Share		Total purchase price paid (HKD)
		Highest (HKD)	Lowest (HKD)	
April 2023	3,695,000	5.76	5.62	20,999,875.00
May 2023	11,000,500	5.31	5.02	56,479,415.00
June 2023	1,200,000	5.32	5.10	6,221,045.00
July 2023	1,060,000	5.45	5.26	5,688,105.00
September 2023	5,394,000	4.97	4.73	25,919,150.00
October 2023	6,350,500	4.84	4.51	29,732,990.00
November 2023	3,653,000	4.81	4.53	16,898,410.00
December 2023	15,601,500	4.59	4.10	67,231,342.00
Total	**47,954,500**	–	–	**229,170,332.00**

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

HUMAN RESOURCES

Fosun's human resources strategy is guided by the values of "Self-improvement, Teamwork, Performance and Contribution to Society", and focuses on building a global entrepreneurial platform that creates outstanding value for customers, analyze the organizational capabilities that drive business growth and rapidly iterate the corresponding organization, mechanism, and talent system. We emphasize that the person in charge of the business is the first person in charge of human resources. Combined with an efficient and compliant governance structure, we will set up talent committees at all levels of organizations to conduct collective discussions on major organizational and talent issues, so as to guarantee the full engagement of business managers in the construction of organizational talent system, and by creating a global shared platform for human resources consultation and services, it will fully empower the building of the entire Group's human resources organization capacity.

In 2023, Fosun further improved its organizational capability of its global operations, and formed more agile organizational support around key strategic and business directions. Meanwhile, based on Fosun's characteristic FC2M entrepreneurial platform and global ecosystem, we put into practice the entrepreneurial body organizational mechanism to stimulate the entrepreneurial spirit and business vitality of our entrepreneurial teams. By deepening our talent structure of "expert + high potential" and focusing on future development and business growth with value creation as the core, we continued to explore the value measurement methods and market-oriented operation modes for the headquarters-type organization and middle and back office functions, so as to continuously enhance the effectiveness of human resources.

Fosun has always adhered to the concept of "Talents are Fosun's first asset". We match people with positions based on the differentiated positioning of management talents and business talents, and design global job rotation and succession plans to drive the improvement of the talent development system. We pay special attention to the frontline business talents, the rapid growth of high-performance and high-potential talents, tilt organizational resources for promotion and incentives, and maintain a strong momentum for endogenous development of talents. In terms of talent planning and attraction, we focus on the world, match the high-growth goals of the business, continue to introduce industry leaders and experts, and build a future-oriented talent echelon in a forward-looking manner. ONE Fosun enterprises work together to attract global talents under the ONE Fosun employer name, and providing an injection of new talent into Fosun enterprises. As at 31 December 2023, the Group had approximately 108,000 employees and the remuneration of the employees approximately amounted to RMB28.2 billion.

Fosun Partner Management System

The partnership model is an important mechanism for the retention and incentive of Fosun's core talent, placing emphasis on Fosun partners leading Fosun people, especially the entrepreneurial spirit, to create an organizational cohesion of co-creation, co-responsibility and sharing. In 2023, Fosun's characteristic competition and cooperation (coopetition) mechanism was exercised, currently have over 150 global partners.

Fosun's partner management system focused on the talent standards and core competency requirements have been refined and improved, and the management foundation for key positions and core talents has been further consolidated, promote cross-industry collaboration through partner ecosystem campaigns, integrate internal and external resources, and create incremental value for customers. At the same time, we put more emphasis on the investment of partners in consolidating the talent echelon, and strengthen the introduction, development and delivery of outstanding talents from the perspective of core assets of talents.

Employee Experience and Service

Focusing on the concept of ESG, Fosun insists on doing business for good and people-oriented, constantly optimizes and innovates, and strengthens the construction of an employee experience management system covering the entire career life cycle of employees. Through mining, management and construction of employee experience points and scenarios, we fully integrate care and corporate culture into daily work and life, covering not only employees themselves, but also employees' families. At the same time, we encourage every Fosun student to put forward reasonable suggestions to help the company continue to evolve employee experience. We fully link Fosun's various member companies and employees in various employee services and activities to jointly build Fosun's happy ecosystem, fully understand and spread the Fosun ecosystem, and create happiness together.

In 2023, we comprehensively evolved Fosun's employee experience management system, fully integrated ESG concepts into employee experience work through welfare evolution and various employee activities, actively practiced the concept of contribution to society, and enhanced the personal and social value of employees. We take fully advantage of Fosun's self-developed mobile applications and comprehensive communication matrix to promptly push employee activities, compensation and benefits, and ecological rights to employees. At the same time, in response to the changing external natural and economic environment, we pay attention to the physical and mental health of our employees. We have comprehensively strengthened our attention to employee health and well-being, upgraded the Employee Assistance Program (EAP) psychological assistance platform, and provided uninterrupted online psychological hotlines and hotlines and various activities throughout the year to ensure employee engagement and satisfaction. It effectively assists Fosun in building and upgrading its global organization.

Employee Learning and Development

Fosun regards the development of both the Company and its staff as one of the most important responsibilities of the Group, providing employees with more opportunities for career development and better working conditions through sustained efforts. Through continuous growth and structural optimization of the organization, we promote team integration and cooperation, create value, building an organization which continuously learns, pursuing a vision of joint development of the Group and our employees.

We build different series of talent development programs and professional development programs according to the Group's development strategy, its development characteristics and Human Resources planning requirements. For different development goals, specific development paths are planned. The training courses are designed according to entrepreneur model and professional requirements, so as to help employees to grow rapidly while solving specific business problems at the same time. For instance, we have the partner teaching project, chairman/CEO teaching project, FES Executive training camp, CHO special warfare camp, star youth long-distance camp and Fostar Management Trainee Program. Fosun deepened the training and development of global talents, by designing and launching the Fosun Global Leadership Program, an executive training program for Fosun's executives involved in overseas business, and the Fosun Global HR Leadership Program, an HR executive training program for overseas business, to promote Entrepreneurs of Fosun Global Industries integrate with each other, empower the ecosystem and develop together.

Employment and Labor Standards

The Group has been adhering to the principle of "Attract with potential development, focus through career plan, groom through meaningful work, appraise by performance", advocating fair competition and opposing discrimination. All employees and job applicants are not confined by factors such as gender, age, race, skin color or religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity, working hours, rest periods and other benefits in countries/regions where our operations are located.

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

Employee Remuneration Policy and Incentive

The remuneration policy and package of Fosun's employees are periodically reviewed and determined based on the basis of their performance, experience and current industry practice. The Group always implements 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 adheres to value creation and growth, and builds an incremental value sharing mechanism that combines short, medium, and long-term, emphasizing Bonus mechanism linked to OKR achievement, value growth award linked to annual performance, and equity incentive linked to long-term value growth. Adapt to different regions and industries around the world, the Group establishes a multi-dimensional and multi-level entrepreneurial body value measurement and value sharing mechanism. Recently, we have continued to build an internal value sharing mechanism, focusing on campaign incentives and emphasizing value creation in key matters.and stimulates the entrepreneurial spirit and co-entrepreneurship spirit of Fosun people.

Human Resources Intelligent Innovation

Under the strategic guidance of science and technology leadership and continuous innovation, we use digital and intelligent innovative technological means, and on the premise of complying with various relevant laws and regulations on data security protection in various countries, through various human resources digital and intelligent platforms Integrate with the independent research and development of tools, advocate and connect various industrial groups and enterprises within the ecosystem to learn from each other and empower each other, and continuously form the accumulation and precipitation of best practices in digital intelligent innovation of human resources, leading the Group to build a compliant, smart, innovative and efficient global digital human resources solution.

SHARE AWARD SCHEME[Note]

2015 Share Award Scheme

A share award scheme was adopted by the Company on 25 March 2015 and terminated on 16 March 2023 (the "**2015 Share Award Scheme**"). All unvested award shares granted under the 2015 Share Award Scheme will continue to be valid and will be vested in accordance with the provisions of the 2015 Share Award Scheme.

(1) 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.

(2) Eligible Person to the 2015 Share Award Scheme is any individual, being an employee, a director, an officer, a consultant or an advisor of any member of the Group or any affiliate whom the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group.

Note Having considered that the Company is unable to ensure that the total number of issued shares of the Company between 18 April 2024 (being the latest practicable date ("**LPD**")) and date of this report will remain the same, the Group decided to discloses the information as required to be disclosed under Rule 17.09(3) of the Listing Rules as of the LPD instead of the date of the annual report.

(3) As at 18 April 2024, the number of Shares available for issue under the 2015 Share Award Scheme is 0.

(4) The maximum entitlement of total number of non-vested award Shares granted to a selected participant shall not exceed 0.3% of the total number of the issued Shares from time to time.

(5) The vesting period of the awards granted under the 2015 Share Award Scheme is determined from time to time by the Board, the award shares (or part thereof) is to vest in the relevant Selected Participants as set out in the relevant award letter, except under certain circumstances and conditions.

(6) The acceptance amount of the award shares is determined by the Board from time to time. The purchase price of the award shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the award and the characteristics and profile of the selected participant. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for award shares, while balancing the purpose of the award and the interests of Shareholders. There is no amount payable on application or acceptance of the 2015 Share Award Scheme.

(7) The 2015 Share Award Scheme should be valid and effective for a term of 10 years commencing from the adoption date (i.e. 24 March 2025). The 2015 Share Award Scheme has been terminated by the Company at the extraordinary general meeting held on 16 March 2023.

2023 Share Award Scheme

A new share award scheme has been adopted by the Company on 16 March 2023 (the "**2023 Share Award Scheme**"). For details of the 2023 Share Award Scheme, please refer to the circular of the Company dated 27 February 2023. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as set out in the circular of the Company dated 27 February 2023.

A summary of the 2023 Share Award Scheme is as follows:

(1) The purposes of the 2023 Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

(2) The participants of the 2023 Share Award Scheme are any individual, being any person belonging to the following classes of participants: (a) any employee participant; (b) any related entity participant; and (c) any service provider whom the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group.

(3) As at 18 April 2024, the total number of Shares available for issue under the 2023 Share Award Scheme and the 2023 Share Option Scheme of the Company is 729,543,312 Shares, representing approximately 8.92% of the total issued Shares.

(4) The maximum entitlement of each participant under the 2023 Share Award Scheme is 1% of the issued Shares of the Company, unless such grant has been duly approved by resolution of the shareholders of the Company in general meeting. As for any grant of award Shares to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules):

    (i) Where any grant of award Shares to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates (as defined under the Listing Rules), would result in the number of Shares issued and to be issued in respect of all award Shares granted (excluding any award Shares lapsed) under all share schemes of the Company to the relevant grantee in the 12-month period (or such other time period as may be specified by the Hong Kong Stock Exchange from time to time) up to and including the date of such grant exceeding 0.1% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue as at the date of such grant, such grant of award Shares shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

(ii) Where any grant of award Shares to an independent non-executive Director or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules), would result in the number of Shares issued and to be issued in respect of all award Shares and options granted (excluding any award Shares and options lapsed) under all share schemes of the Company to the relevant grantee in the 12-month period (or such other time period as may be specified by the Hong Kong Stock Exchange from time to time) up to and including the date of such grant exceeding 0.1% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue as at the date of such grant, such grant of award Shares shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

(5) The vesting period of the awards granted under the 2023 Share Award Scheme must not be less than 12 months from the date of grant, except under certain circumstances and conditions regarding employee participants.

(6) The purchase price of the award Shares (if any) shall be determined by the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the award and the characteristics and profile of the selected participants. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for award Shares, while balancing the purpose of the award and the interests of Shareholders. The purchase price of the 2023 award Shares granted is nil and there is no amount payable on application or acceptance of such award.

(7) Subject to earlier termination by the Board, the 2023 Share Award Scheme shall be valid and effective for 10 years from the date of adoption (i.e. 16 March 2023). As at April 2024, the remaining life of the 2023 Share Award Scheme is approximately 8 years and 11 months.

On 30 March 2023 (the "**First Grant Date**"), the Board resolved to award an aggregate of 25,937,000 award Shares (the "**2023 First Award Shares**") to 113 selected participants under the 2023 Share Award Scheme. Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the 2023 First 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 2023 First Award Shares have been fully issued to the Trustee. The closing price of the Shares, immediately before the First Grant Date was HKD6.11. The aggregate fair value of the 2023 First Award Shares as at the First Grant Date amounted to approximately HKD123,913,630.

On 31 August 2023 (the "**Second Grant Date**"), the Board resolved to award an aggregate of 1,800,000 award Shares (the "**2023 Second Award Shares**") to 17 selected participants under the 2023 Share Award Scheme. Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the 2023 Second Award Shares shall be transferred from the Trustee to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, the 2023 Second Award Shares have been fully issued to the Trustee. The closing price of the Shares, immediately before the Second Grant Date was HKD5.04. The aggregate fair value of the 2023 Second Award Shares as at the Second Grant Date amounted to approximately HKD7,416,850.

The fair value of equity-settled award Shares granted was estimated on the basis of the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on 30 March 2023 and on 31 August 2023, being the First Grant Date and the Second Grant Date defined under the International Financial Reporting Standards 2 Share-based Payment requirement, which must be a business day and if subject to Shareholders' approval, is the date when approval is obtained. No adjustment is required for expected dividends since the employees are entitled to receive dividends paid during the vesting period.

As at 31 December 2023, the Company has granted accumulated 112,538,200 award Shares under the 2015 Share Award Scheme and the 2023 Share Award Scheme, of which 48,871,950 award Shares were unvested except for the vested, expired, lapsed or cancelled award Shares.

Further details of the 2015 Share Award Scheme and the 2023 Share Award Scheme are set out in note 58 to the Consolidated Financial Statements.

Details of the movement of the award Shares under the 2015 Share Award Scheme and the 2023 Share Award Scheme during the Reporting Period were as follows:

Number of the award Shares				Changes during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2023	Granted during the Reporting Period	Vested during the Reporting Period[15]	Lapsed/ cancelled during the Reporting Period[12]	Unvested as at 31 December 2023
Guo Guangchang	24 March 2022	24 March 2022 to 23 March 2023[8](b)	738,000	738,000	–	738,000	–	–
Wang Qunbin	24 March 2022	24 March 2022 to 23 March 2023[8](b)	704,000	704,000	–	704,000	–	–
Chen Qiyu	26 March 2015	26 March 2015 to 24 March 2018[1]	250,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	330,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	375,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	555,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	535,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	1,660,000	564,400	–	564,400	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	1,920,000	1,286,400	–	633,600	–	652,800
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	2,460,000	2,460,000	–	811,800	–	1,648,200
		24 March 2022 to 23 March 2023[8](b)	646,000	646,000	–	646,000	–	–
	31 August 2022	31 August 2022 to 30 August 2025[9](a)	50,000	50,000	–	16,500	–	33,500
		31 August 2022 to 30 August 2023[9](b)	502,400	502,400	–	502,400	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	2,803,000	–	2,803,000	–	–	2,803,000
	31 August 2023	31 August 2023 to 30 August 2026[11]	60,000	–	60,000	–	–	60,000
Xu Xiaoliang	26 March 2015	26 March 2015 to 24 March 2018[1]	190,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	330,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	375,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	555,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	535,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	1,660,000	564,400	–	564,400	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	1,920,000	1,286,400	–	633,600	–	652,800
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	2,460,000	2,460,000	–	811,800	–	1,648,200
		24 March 2022 to 23 March 2023[8](b)	244,000	244,000	–	244,000	–	–
	31 August 2022	31 August 2022 to 30 August 2025[9](a)	50,000	50,000	–	16,500	–	33,500
		31 August 2022 to 30 August 2023[9](b)	220,200	220,200	–	220,200	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	2,803,000	–	2,803,000	–	–	2,803,000
	31 August 2023	31 August 2023 to 30 August 2026[11]	60,000	–	60,000	–	–	60,000

Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2023	Granted during the Reporting Period	Vested during the Reporting Period[15]	Lapsed/ cancelled during the Reporting Period[12]	Unvested as at 31 December 2023
	Number of the award Shares			Changes during the Reporting Period				
Qin Xuetang[13]	26 March 2015	26 March 2015 to 24 March 2018[1]	290,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	350,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	325,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	340,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	310,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	295,000	100,300	–	100,300	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	720,000	482,400	–	237,600	–	244,800
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	1,360,000	1,360,000	–	448,800	–	911,200
		24 March 2022 to 23 March 2023[8](b)	88,000	88,000	–	88,000	–	–
	31 August 2022	31 August 2022 to 30 August 2023[9](b)	74,800	74,800	–	74,800	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	1,653,000	–	1,653,000	–	–	1,653,000
Gong Ping	26 March 2015	26 March 2015 to 24 March 2018[1]	60,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	110,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	190,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	240,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	235,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	275,000	93,500	–	93,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	470,000	314,900	–	155,100	–	159,800
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	960,000	960,000	–	316,800	–	643,200
		24 March 2022 to 23 March 2023[8](b)	88,000	88,000	–	88,000	–	–
	31 August 2022	31 August 2022 to 30 August 2025[9](a)	160,000	160,000	–	52,800	–	107,200
		31 August 2022 to 30 August 2023[9](b)	461,800	461,800	–	461,800	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	1,001,000	–	1,001,000	–	–	1,001,000
	31 August 2023	31 August 2023 to 30 August 2026[11]	200,000	–	200,000	–	–	200,000
Huang Zhen	24 March 2022	24 March 2022 to 23 March 2025[8](a)	800,000	800,000	–	264,000	–	536,000
	31 August 2022	31 August 2022 to 30 August 2023[9](b)	165,200	165,200	–	165,200	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	682,000	–	682,000	–	–	682,000

Number of the award Shares					Changes during the Reporting Period			
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2023	Granted during the Reporting Period	Vested during the Reporting Period[15]	Lapsed/ cancelled during the Reporting Period[12]	Unvested as at 31 December 2023
Pan Donghui	26 March 2015	26 March 2015 to 24 March 2018[1]	190,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	240,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	190,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	240,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	235,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	275,000	93,500	–	93,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	590,000	395,300	–	194,700	–	200,600
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	1,160,000	1,160,000	–	382,800	–	777,200
		24 March 2022 to 23 March 2023[8](b)	378,000	378,000	–	378,000	–	–
	31 August 2022	31 August 2022 to 30 August 2025[9](a)	60,000	60,000	–	19,800	–	40,200
		31 August 2022 to 30 August 2023[9](b)	77,100	77,100	–	77,100	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	1,324,000	–	1,324,000	–	–	1,324,000
	31 August 2023	31 August 2023 to 30 August 2026[11]	80,000	–	80,000	–	–	80,000
Zhuang Yuemin[14]	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	–	16,750	–
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	–	25,000	–
Yu Qingfei	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
Zhang Shengman	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	25,000	8,500	–	8,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	25,000	–	25,000	–	–	25,000

Number of the award Shares				Changes during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2023	Granted during the Reporting Period	Vested during the Reporting Period[15]	Lapsed/ cancelled during the Reporting Period[12]	Unvested as at 31 December 2023
Zhang Huaqiao	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	25,000	8,500	–	8,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	25,000	–	25,000	–	–	25,000
David T. Zhang	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	25,000	8,500	–	8,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	25,000	–	25,000	–	–	25,000
Lee Kai-Fu	4 May 2017	4 May 2017 to 2 May 2020[3]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	25,000	8,500	–	8,500	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	25,000	–	25,000	–	–	25,000

Number of the award Shares				Changes during the Reporting Period					
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2023	Granted during the Reporting Period	Vested during the Reporting Period[15]	Lapsed/ cancelled during the Reporting Period[12]	Unvested as at 31 December 2023
Tsang King Suen Katherine	31 March 2021	31 March 2021 to 30 March 2024[7](a)	25,000	16,750	–	8,250	–	8,500
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	25,000	25,000	–	8,250	–	16,750
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	25,000	–	25,000	–	–	25,000
Sub-total			**42,983,500**	**19,415,250**	**10,791,000**	**10,932,800**	**41,750**	**19,231,700**
Other grantees:								
– Other employee participants	26 March 2015	26 March 2015 to 24 March 2018[1]	3,610,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[2]	3,945,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[3]	3,680,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[4]	3,872,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[5](a)	4,333,000	–	–	–	–	–
	28 August 2019	28 August 2019 to 27 August 2022[5](b)	420,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[6](a)	4,236,000	1,224,680	–	1,187,960	36,720	–
	28 August 2020	28 August 2020 to 27 August 2023[6](b)	70,000	10,200	–	10,200	–	–
	31 March 2021	31 March 2021 to 30 March 2024[7](a)	6,995,000	4,495,700	–	2,179,650	151,950	2,164,100
	25 August 2021	25 August 2021 to 24 August 2024[7](b)	265,000	56,950	–	28,050	–	28,900
	24 March 2022	24 March 2022 to 23 March 2025[8](a)	16,320,000	16,220,000	–	5,268,450	643,600	10,307,950
		24 March 2022 to 23 March 2023[8](b)	2,398,000	2,398,000	–	2,398,000	–	–
	31 August 2022	31 August 2022 to 30 August 2025[9](a)	1,010,000	990,000	–	326,700	–	663,300
		31 August 2022 to 30 August 2023[9](b)	1,454,700	1,454,700	–	1,454,700	–	–
	30 March 2023	30 March 2023 to 29 March 2026[10](a)	14,934,000	–	14,934,000	–	470,000	14,464,000
		30 March 2023 to 29 March 2024[10](b)	612,000	–	612,000	–	–	612,000
	31 August 2023	31 August 2023 to 30 August 2026[11]	1,400,000	–	1,400,000	–	–	1,400,000
– Related entity participants			–	–	–	–	–	–
– Service providers			–	–	–	–	–	–
Total			**112,538,200**	**46,265,480**	**27,737,000**	**23,786,510**	**1,344,020**	**48,871,950**

Notes:

(1) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 26 March 2015 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%	25 March 2016	26 March 2015 to 24 March 2016
33%	25 March 2017	26 March 2015 to 24 March 2017
34%	25 March 2018	26 March 2015 to 24 March 2018

(2) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 1 April 2016 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%	31 March 2017	1 April 2016 to 30 March 2017
33%	31 March 2018	1 April 2016 to 30 March 2018
34%	31 March 2019	1 April 2016 to 30 March 2019

(3) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 4 May 2017 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%	3 May 2018	4 May 2017 to 2 May 2018
33%	3 May 2019	4 May 2017 to 2 May 2019
34%	3 May 2020	4 May 2017 to 2 May 2020

(4) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 28 March 2018 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%	28 March 2019	28 March 2018 to 27 March 2019
33%	28 March 2020	28 March 2018 to 27 March 2020
34%	28 March 2021	28 March 2018 to 27 March 2021

(5) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 27 March 2019 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%	27 March 2020	27 March 2019 to 26 March 2020
33%	27 March 2021	27 March 2019 to 26 March 2021
34%	27 March 2022	27 March 2019 to 26 March 2022

(b) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 28 August 2019 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%	28 August 2020	28 August 2019 to 27 August 2020
33%	28 August 2021	28 August 2019 to 27 August 2021
34%	28 August 2022	28 August 2019 to 27 August 2022

(6) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 1 April 2020 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%	1 April 2021	1 April 2020 to 31 March 2021
33%	1 April 2022	1 April 2020 to 31 March 2022
34%	1 April 2023	1 April 2020 to 31 March 2023

(b) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 28 August 2020 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%	28 August 2021	28 August 2020 to 27 August 2021
33%	28 August 2022	28 August 2020 to 27 August 2022
34%	28 August 2023	28 August 2020 to 27 August 2023

(7) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 31 March 2021 shall be transferred from the Trustee to the selected participants upon expiry of the following vesting periods:

Percentage of Award Shares to be Vested	Vesting Date	Vesting Period
33%	31 March 2022	31 March 2021 to 30 March 2022
33%	31 March 2023	31 March 2021 to 30 March 2023
34%	31 March 2024	31 March 2021 to 30 March 2024

(b) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 25 August 2021 shall be transferred from the Trustee to the selected participants upon expiry of the following vesting periods:

Percentage of Award Shares to be Vested	Vesting Date	Vesting Period
33%	25 August 2022	25 August 2021 to 24 August 2022
33%	25 August 2023	25 August 2021 to 24 August 2023
34%	25 August 2024	25 August 2021 to 24 August 2024

(8) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the 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, the 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

(9) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 31 August 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%	31 August 2023	31 August 2022 to 30 August 2023
33%	31 August 2024	31 August 2022 to 30 August 2024
34%	31 August 2025	31 August 2022 to 30 August 2025

(b) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme, the award Shares which were granted on 31 August 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%	31 August 2023	31 August 2022 to 30 August 2023

(10) (a) Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the award Shares which were granted on 30 March 2023 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%	30 March 2024	30 March 2023 to 29 March 2024
33%	30 March 2025	30 March 2023 to 29 March 2025
34%	30 March 2026	30 March 2023 to 29 March 2026

(b) Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the award Shares which were granted on 30 March 2023 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%	30 March 2024	30 March 2023 to 29 March 2024

(11) Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the award Shares which were granted on 31 August 2023 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%	31 August 2024	31 August 2023 to 30 August 2024
33%	31 August 2025	31 August 2023 to 30 August 2025
34%	31 August 2026	31 August 2023 to 30 August 2026

(12) During the Reporting Period, 1,344,020 award Shares were lapsed and expired and the Group did not cancel any award Shares.

(13) Mr. Qin Xuetang has resigned as an executive Director with effect from 17 February 2023.

(14) Mr. Zhuang Yuemin has resigned as a non-executive Director with effect from 2 February 2023.

(15) The weighted average closing price of the Shares immediately before the dates on which awards were vested during the Reporting Period was HKD5.97.

(16) Save as disclosed above, there is no any other information required to be disclosed pursuant to Rules 17.07 and 17.09 of the Listing Rules.

Except for independent non-executive Directors who are not subject to the performance assessment system of the Company, each of the selected participants have satisfied their respective performance targets (the "**Performance Targets**") for the previous financial year before the grant date. In general, the performance assessment of the selected participants is classified into three broad categories: (i) individual performance, (ii) group performance, and (iii) performance of business segments, business lines and/or functional departments managed by the selected participants.

1) The Performance Targets applicable to the seven existing Directors, including Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui and one former Director, being Mr. Qin Xuetang, include: revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group.

2) For other employee participants, given that the industry nature, business development stage and strategic goal of the business segments, business lines and/or functional departments managed by the selected participants are different, the Performance Targets applicable to other employee participants are individualized with different assessment criteria and weighting based on their different roles and functions.

a. Individual performance: The assessment criteria are based on, among others, their management ability and efficiency and their contribution to enhancing the performance of the respective business segments or business lines such as ability to introduce key talents, risk control and quality operation system, digitalization and entrepreneurship;

b. Group performance: The assessment criteria are based on, among others, revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group; and

c. Performance of business segments, business lines and/or functional departments managed by the selected participants: The assessment criteria are based on a wide range of factors which are important to the long-term development of such business segments, business lines and/or functional departments depending on their respective industry nature, business development stage and strategic goals, such as segment financial performance, industry ranking, customer satisfaction, risk control, digital transformation, production safety, expense management and human resource planning.

SHARE OPTION SCHEMES

2007 Share Option Scheme of the Company

The Company adopted its share option scheme on 19 June 2007 and it was expired on 18 June 2017 (the "**2007 Share Option Scheme**"). Hence, no further options will be available for grant under the 2007 Share Option Scheme. All outstanding options granted under the 2007 Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the 2007 Share Option Scheme. The major terms of the 2007 Share Option Scheme are as follows:

(1) The purpose of the 2007 Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

(2) The participants of the 2007 Share Option Scheme are any Director (including independent non-executive Director), employee (whether full-time or part-time), consultant or advisor who in the sole discretion of the Board has contributed or will contribute to the Group.

(3) As at 18 April 2024, the number of Shares available for issue under the 2007 Share Option Scheme of the Company is 0.

(4) The maximum entitlement of each participant under the 2007 Share Option Scheme is 1% of the issued Shares of the Company unless such grant has been duly approved by resolution of the shareholders of the Company in general meeting.

(5) The exercise period of any option granted under the 2007 Share Option Scheme must not be more than 10 years commencing on the date of grant.

(6) The vesting period of any option granted under the 2007 Share Option Scheme must not be more than 10 years commencing on the date of grant. Except for the vesting period, there is no minimum period for which an option must be held before it can be exercised.

(7) The amount payable on application or acceptance for the option or the period within which payments or calls must or may be made or loans for such purposes must be repaid is determined by the Board from time to time.

(8) The exercise price determined by the Board shall be at least 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, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(9) Prior to the expiry of the 2007 Share Option Scheme, the 2007 Share Option Scheme should be valid and effective for a period to be determined and notified by the Board to the grantee during which the option may be exercised and in any event shall not be more than 10 years commencing on the date on which the offer in relation to such option is deemed to have been accepted in accordance with the terms of the 2007 Share Option Scheme and expiring on the last day of the ten-year-period.

2017 Share Option Scheme of the Company

The Company adopted a share option scheme on 6 June 2017 and it was terminated on 16 March 2023 (the "**2017 Share Option Scheme**"). Hence, no further options will be available for grant under the 2017 Share Option Scheme. All outstanding options granted under the 2017 Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the 2017 Share Option Scheme. The major terms of the 2017 Share Option Scheme are as follows:

(1) The purpose of the 2017 Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

(2) The participants of the 2017 Share Option Scheme are any Director (including Independent Non-Executive Director), employee (whether full-time or part-time), consultant or advisor of the Group who in the sole discretion of the Board has contributed or will contribute to the Group.

(3) As at 18 April 2024, the number of Shares available for issue under the 2017 Share Option Scheme of the Company is 0.

(4) The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other schemes of the Company must not exceed 30% (or other percentage as stipulated in the Listing Rules) of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the 2017 Share Option Scheme and any other schemes of the Company must not, in aggregate, exceed 857,897,014 Shares, being 10% of the issued Shares in issue as at the date of the shareholders' approval of the 2017 Share Option Scheme, unless separate shareholders' approval has been obtained.

(5) The maximum entitlement of each participant under the 2017 Share Option Scheme is 1% of the issued Shares of the Company unless such grant has been duly approved by resolution of the shareholders of the Company in general meeting.

(6) The exercise period of any option granted under the 2017 Share Option Scheme must not be more than 10 years commencing on the date of grant.

(7) The vesting period of any option granted under the 2017 Share Option Scheme must not be more than 10 years commencing on the date of grant. Except for the vesting period, there is no minimum period for which an option must be held before it can be exercised.

(8) The amount payable on application or acceptance for the option or the period within which payments or calls must or may be made or loans for such purposes must be repaid is determined by the Board from time to time.

(9) The exercise price determined by the Board shall be at least the higher 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, which must be a business day; and (ii) the average of the closing prices of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

(10) Prior to the termination of the 2017 Share Option Scheme on 16 March 2023, the 2017 Share Option Scheme should be valid and effective for a period to be determined and notified by the Board to the grantee during which the option may be exercised and in any event shall not be more than 10 years commencing on the date on which the offer in relation to such option is deemed to have been accepted in accordance with the terms of the 2017 Share Option Scheme and expiring on the last day of the ten-year period.

2023 Share Option Scheme of the Company

The Company adopted a new share option scheme on 16 March 2023 (the "**2023 Share Option Scheme**"). For details of the 2023 Share Option Scheme, please refer to the circular of the Company dated 27 February 2023. A summary of the 2023 Share Option Scheme is as follows:

(1) The purpose of the 2023 Share Option Scheme is to provide incentives and/or rewards to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

(2) The participants of the 2023 Share Option Scheme include (a) employee participants, (b) related entity participants, and (c) service providers. The eligibility of each of the eligible persons shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

(3) As at 18 April 2024, the number of Shares available for issue under the 2023 Share Award Scheme and the 2023 Share Option Scheme of the Company is 729,543,312 Shares, representing approximately 8.92% of the total issued Shares.

(4) The maximum entitlement of each participant under the 2023 Share Option Scheme is 1% of the issued Shares of the Company, unless such grant has been duly approved by resolution of the shareholders of the Company in a general meeting. Where any grant of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates (as defined under the Listing Rules), would result in the number of Shares issued and to be issued in respect of all options and award Shares granted (excluding any options or award Shares lapsed) under all share schemes of the Company to the relevant grantee in the 12-month period (or such other time period as may be specified by the Hong Kong Stock Exchange from time to time) up to and including the date of such grant exceeding 0.1% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant, such grant of options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

(5) The period within which the options may be exercised by the grantees under the 2023 Share Option Scheme shall be the period determined and notified by the Board to the grantees, and must not be more than 10 years from the date of grant.

(6) The vesting period of the options granted under the 2023 Share Option Scheme must not be less than 12 months from the date of grant, except under certain circumstances and conditions regarding employee participants. Any shorter vesting period in respect of options granted to employee participants must be approved by the Board and/or the remuneration committee of the Company (for options granted to the Directors or senior managers) at the Directors' discretion, provided that such grantee(s) has been specifically identified by the Board before granting such approval. Please refer to the circular of the Company dated 27 February 2023 for specific circumstances giving rise to a shorter vesting period.

(7) The exercise price of options granted under the 2023 Share Option Scheme is determined by the Board and shall be at least the higher 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, which must be a business day; and (ii) the average of the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

(8) There is no amount payable on application or acceptance of the options nor the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(9) Subject to earlier termination by the Board, the 2023 Share Option Scheme shall be valid and effective for 10 years from the date of adoption (i.e. 16 March 2023). As at April 2024, the remaining life of the 2023 Share Option Scheme is approximately 8 years and 11 months.

The Board announced that on 30 March 2023, subject to the acceptance of relevant grantees, the Company has decided to grant 71,070,000 share options to subscribe for an aggregate of 71,070,000 Shares under the 2023 Share Option Scheme (the "**2023 First Share Option**"). The closing price of the Shares, immediately before the First Grant Date was HKD6.11 per Share. The aggregate fair value of such 71,070,000 share options at the First Grant Date amounted to approximately HKD98,234,510.

The Board announced that on 31 August 2023, subject to the acceptance of relevant grantees, the Company has decided to grant 190,000 share options to subscribe for an aggregate of 190,000 Shares under the 2023 Share Option Scheme (the "**2023 Second Share Option**"). The closing price of the Shares, immediately before the Second Grant Date was HKD5.04 per Share. The aggregate fair value of such 190,000 share options at the Second Grant Date amounted to approximately HKD265,958.

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 to reflect the International Financial Reporting Standards 2 Share-based Payment requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of each option. The significant assumptions and inputs used in the estimation of the fair value are as follows: share price at date of grant, exercise price, risk-free interest rate, volatility, expected life of options and dividend. The expected life of the options may not be necessarily indicative of the exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility of comparable companies is indicative of future trends, which may also not necessarily be the actual outcome. As elaborated above, the fair value of options is subject to a number of assumptions and limitations that may be subjective and uncertain.

As at the end of the Reporting Period, the Company has granted accumulated 497,881,000 options to subscribe for an aggregate of 497,881,000 Shares under the 2007 Share Option Scheme, the 2017 Share Option Scheme and the 2023 Share Option Scheme, of which 302,716,350 effective options were outstanding except for the exercised, expired, lapsed or cancelled options.

The following table discloses movements in the Company's outstanding options under the 2007 Share Option Scheme, the 2017 Share Option Scheme and the 2023 Share Option Scheme during the Reporting Period.

Name of Grantee	Date of grant of the options	Number of the options Outstanding as at 1 January 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/ cancelled during the Reporting Period[9]	Outstanding as at 31 December 2023	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Chen Qiyu	8 January 2016	7,500,000	–	–	2,500,000	5,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	1,350,000	–	–	225,000	1,125,000	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
	30 March 2023	–	4,000,000	–	–	4,000,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16
Xu Xiaoliang	8 January 2016	7,500,000	–	–	2,500,000	5,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	1,350,000	–	–	225,000	1,125,000	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
	30 March 2023	–	4,000,000	–	–	4,000,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16
Qin Xuetang[10]	8 January 2016	7,500,000	–	–	2,500,000	5,000,000	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
	30 March 2023	–	2,400,000	–	–	2,400,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16

Name of Grantee	Date of grant of the options	Outstanding as at 1 January 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Number of the options Expired/lapsed/cancelled during the Reporting Period[9]	Outstanding as at 31 December 2023	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Gong Ping	8 January 2016	3,000,000	–	–	1,000,000	2,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	4,410,000	–	–	735,000	3,675,000	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
	30 March 2023	–	2,400,000	–	–	2,400,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16
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
	30 March 2023	–	1,200,000	–	–	1,200,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16
Pan Donghui	8 January 2016	5,250,000	–	–	1,750,000	3,500,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	1,710,000	–	–	285,000	1,425,000	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
	30 March 2023	–	2,400,000	–	–	2,400,000	30 March 2023 to 29 March 2028[7]	30 March 2026 to 29 March 2033[7]	6.16

Name of Grantee	Date of grant of the options	Outstanding as at 1 January 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Number of the options Expired/lapsed/ cancelled during the Reporting Period[9]	Outstanding as at 31 December 2023	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Other grantees – Other employee participants	8 January 2016	25,450,000	–	–	8,250,000	17,200,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	25,160,000	–	–	4,710,000	20,450,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	28 March 2018	11,690,600	–	–	1,043,000	10,647,600	28 March 2018 to 27 March 2025[2,3]	28 March 2019 to 27 March 2028[2,3]	17.58
	27 March 2019	54,081,250	–	–	3,830,000	50,251,250	27 March 2019 to 26 March 2026[2,4]	27 March 2020 to 26 March 2029[2,4]	12.86
	28 August 2019	450,000	–	–	100,000	350,000	28 August 2019 to 27 August 2023[5]	28 August 2020 to 27 August 2029[5]	9.95
	1 April 2020	12,820,000	–	–	2,067,500	10,752,500	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	29,595,000	–	–	3,687,500	25,907,500	31 March 2021 to 30 March 2026[4,6]	31 March 2022 to 30 March 2031[4,6]	10.91
	25 August 2021	712,500	–	–	412,500	300,000	25 August 2021 to 24 August 2025[4]	25 August 2022 to 24 August 2031[4]	9.90
	24 March 2022	48,607,500	–	–	4,470,000	44,137,500	24 March 2022 to 23 March 2027[4,6]	24 March 2023 to 23 March 2032[4,6]	8.71
	31 August 2022	90,000	–	–	–	90,000	31 August 2022 to 30 August 2026[4]	31 August 2023 to 30 August 2032[4]	5.95
	30 March 2023	–	54,670,000	–	3,170,000	51,500,000	30 March 2023 to 29 March 2028[7,8]	30 March 2024 to 29 March 2033[7,8]	6.16
	31 August 2023	–	190,000	–	–	190,000	31 August 2023 to 30 August 2027[8]	31 August 2024 to 30 August 2033[8]	4.93

Name of Grantee	Date of grant of the options	Outstanding as at 1 January 2023	Number of the options Granted during the Reporting Period	Exercised during the Reporting Period	Expired/lapsed/ cancelled during the Reporting Period[9]	Outstanding as at 31 December 2023	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
– Related entity participants	8 January 2016	–	–	–	–	–	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	–	–	–	–	–	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	28 March 2018	–	–	–	–	–	28 March 2018 to 27 March 2025[2,3]	28 March 2019 to 27 March 2028[2,3]	17.58
	27 March 2019	9,000,000	–	–	–	9,000,000	27 March 2019 to 26 March 2026[2]	27 March 2024 to 26 March 2029[2]	12.86
	28 August 2019	–	–	–	–	–	28 August 2019 to 27 August 2023[5]	28 August 2020 to 27 August 2029[5]	9.95
	1 April 2020	–	–	–	–	–	1 April 2020 to 31 March 2025[4,6]	1 April 2021 to 31 March 2030[4,6]	8.79
	28 August 2020	–	–	–	–	–	28 August 2020 to 27 August 2024[4]	28 August 2021 to 27 August 2030[4]	8.86
	31 March 2021	200,000	–	–	–	200,000	31 March 2021 to 30 March 2026[6]	31 March 2024 to 30 March 2031[6]	10.91
	25 August 2021	–	–	–	–	–	25 August 2021 to 24 August 2025[4]	25 August 2022 to 24 August 2031[4]	9.90
	24 March 2022	200,000	–	–	–	200,000	24 March 2022 to 23 March 2027[6]	24 March 2025 to 23 March 2032[6]	8.71
	31 August 2022	–	–	–	–	–	31 August 2022 to 30 August 2026[4]	31 August 2023 to 30 August 2032[4]	5.95
	30 March 2023	–	–	–	–	–	30 March 2023 to 29 March 2028[7,8]	30 March 2024 to 29 March 2033[7,8]	6.16
	31 August 2023	–	–	–	–	–	31 August 2023 to 30 August 2027[8]	31 August 2024 to 30 August 2033[8]	4.93
– Service providers		–	–	–	–	–			
Total		**274,916,850**	**71,260,000**	**–**	**43,460,500**	**302,716,350**			

Notes:

1. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options under the 2007 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 tenth year period commencing from the date of the grant of options (the "**2007 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 2007 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 2007 Option Period.

2. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the global core management staff under the 2017 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 "**2017 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 2017 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 2017 Option Period.

3. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the employees of the Group under the 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Option Period.

4. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the employees of the Group under the 2017 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 2017 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 2017 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 2017 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 2017 Option Period.

5. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the newly-joined management staff and the intelligent technology professionals of the Group under the 2017 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 2017 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 2017 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 2017 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 2017 Option Period.

Type II exercising schedule

(a) up to the first 50% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the 2017 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 2017 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 2017 Option Period.

6. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the global core management staff under the 2017 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 2017 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 2017 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 2017 Option Period.

7. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the global core management staff under the 2023 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 tenth year period commencing from the date of grant of the options (the "**2023 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 2023 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 2023 Option Period.

8. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the options, being granted to the employees of the Group under the 2023 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 2023 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 2023 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 2023 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 2023 Option Period.

9. During the Reporting Period, 43,460,500 share options were lapsed and expired and the Group did not cancel any shares.

10. Mr. Qin Xuetang has resigned as an executive Director with effect from 17 February 2023.

11. There were no options exercised during the Reporting Period. Therefore the disclosure on the weighted average closing price of the Shares immediately before the dates on which options were exercised during the Reporting Period is not applicable.

12. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rules 17.07 and 17.09 of the Listing Rules.

Each of the grantees is required to meet their Performance Targets during the vesting period. In general, the Performance Targets of the grantees are classified into three broad categories: (i) individual performance, (ii) group performance, and (iii) performance of business segments, business lines and/or functional departments managed by the grantees.

1) The Performance Targets applicable to the seven existing Directors, including Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui and one former director, being Mr. Qin Xuetang, include: revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group.

2) Unless the Performance Targets are met, the options granted to the grantees will lapse.

3) For other participants, given that the industry nature, business development stage and strategic goal of the business segments, business lines and/or functional departments managed by the other participants are different, the Performance Targets applicable to other participants are individualized with different assessment criteria and weighting based on their different roles and functions.

    a. Individual performance: The assessment criteria are based on, among others, their management ability and efficiency and their contribution to enhancing the performance of the respective business segments or business lines such as ability to introduce key talents, risk control and quality operation system, digitalization and entrepreneurship;

    b. Group performance: The assessment criteria are based on, among others, revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group; and

    c. Performance of business segments, business lines and/or functional departments managed by the Option Grantees: The assessment criteria are based on a wide range of factors which are important to the long-term development of such business segments, business lines and/or functional departments depending on their respective industry nature, business development stage and strategic goals, such as segment financial performance, industry ranking, customer satisfaction, risk control, digital transformation, production safety, expense management and human resource planning.

Share Award and Share Option Schemes of the Company

The number of awards and options available for grant under the scheme mandate of all share schemes of the Company at (i) the beginning of the Reporting Period was 672,650,164 and (ii) the end of the Reporting Period was 726,664,012. The number of awards and options available for grant under the service provider sublimit of all share schemes of the Company at (i) the beginning of the Reporting Period was 41,101,050 and (ii) the end of the Reporting Period was 41,101,050.

The number of Shares that may be issued in respect of awards and options granted under all share schemes of the Company during the Reporting Period (i.e. 27,737,000 Shares) divided by the weighted average number of Shares in issue for the Reporting Period (i.e. 8,174,151,086) were approximately 0.34%.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the Consolidated Statement of Changes in Equity of this annual report and details of movements in the reserves of the Company during the Reporting Period are set out in note 69 to financial statements.

On 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the provisions of sections 291, 297 and 299 of the Hong Kong Companies Ordinance (Cap. 622), amounted to RMB3,016,312,000 of which RMB282,480,664 has been proposed as a final dividend for 2023.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's five largest suppliers contributed less than 30% of the total purchases and the Group's five largest customers contributed less than 30% of the total sales.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any beneficial interests in the Group's five largest customers or suppliers.

DIRECTORS

The Directors during the Reporting Period were:

Executive Directors

Mr. Guo Guangchang *(Chairman)*
Mr. Wang Qunbin *(Co-Chairman)*
Mr. Chen Qiyu *(Co-Chief Executive Officer)*
Mr. Xu Xiaoliang *(Co-Chief Executive Officer)*
Mr. Qin Xuetang *(resigned on 17 February 2023)*
Mr. Gong Ping
Mr. Huang Zhen
Mr. Pan Donghui *(appointed on 29 March 2023)*

Non-Executive Directors

Mr. Zhuang Yuemin *(resigned on 2 February 2023)*
Mr. Yu Qingfei
Mr. Li Shupei
Mr. Li Fuhua *(appointed on 2 February 2023)*

Independent Non-Executive Directors

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

DIRECTORS OF SUBSIDIARIES

As at 31 December 2023, the names of all the directors who serve the board of subsidiaries of the Company or act as the sole director of subsidiaries of the Company are published on the Company's website.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

All Directors have entered into service contracts with the Company. The service contract of Mr. Yu Qingfei, Mr. Li Shupei and Mr. Li Fuhua are effective respectively from 10 December 2023, 4 November 2023 and 2 February 2024 for a term of 1 year. The service contracts of other Directors are effective from 28 March 2024 for a term of 3 years. None of the Directors (including the Director proposed for re-election in the AGM) has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

Remuneration Policy

The Remuneration Committee of the Company considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee and approval by the Shareholders to ensure that the levels of their remuneration and compensation are appropriate. Such remuneration is determined with reference to expertise and industry experience of the Directors and senior management, performance and profitability of the Group, market conditions, remuneration standards of the industry as well as the business development of the Company.

The objective of remunerating Non-Executive Directors is to ensure that there is an appropriate level of remuneration to attract and retain experienced and high calibre talents to oversee the business development of the Company while avoiding to pay more than necessary for this purpose.

In addition, the Board members may be granted a certain number of share options and award shares under the share option schemes and share award schemes of the Company, respectively from time to time. Such securities may be granted upon the recommendation of the Remuneration Committee and will be subject to approval by the Board and the Shareholders (if required).

The remuneration of the Board members is thus composed of a fixed salary, performance bonus and certain securities of the Company, which makes Board compensation simple, transparent and easy for Shareholders to understand.

Details of the Directors remuneration for the year ended 31 December 2023 are set out in note 11 to financial statements.

The remuneration of senior management of the Company by band (including share-based payment) for the Reporting Period is set out below:

	Number of senior management
RMB3,500,000 – RMB4,000,000	1
	1

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors subsequent to interim report 2023 and up to the end of the Reporting Period are set out below:

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

Name of Director	Company Name	Date of change	Original position	Current position
Huang Zhen	Lanvin Group	December 2023	–	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

Save for those disclosed in this report, there were no other relevant changes during the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of the Directors or an entity connected with the Directors (as defined under section 486 of the Hong Kong Companies Ordinance) had a material interest, either directly or indirectly, in any transaction, arrangement and contract of significance in relation to the Group subsisting during or as at the end of the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2023, none of the Directors nor their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

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

As at 31 December 2023, 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 and Underlying Shares of the Company

Name of Director/ chief executive	Class of Shares	Number of Shares and/or underlying shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	6,022,557,196[1]	Corporate	73.42%
	Ordinary	738,000	Individual	0.01%
Wang Qunbin	Ordinary	704,000	Individual	0.01%
Chen Qiyu	Ordinary	31,144,400	Individual	0.38%
Xu Xiaoliang	Ordinary	27,540,000	Individual	0.34%
Gong Ping	Ordinary	14,925,800	Individual	0.18%
Huang Zhen	Ordinary	3,447,200	Individual	0.04%
Pan Donghui	Ordinary	14,403,484	Individual	0.18%
Yu Qingfei	Ordinary	50,000	Individual	0.00%
Zhang Shengman	Ordinary	125,250	Individual	0.00%
Zhang Huaqiao	Ordinary	530,000	Individual	0.01%
David T. Zhang	Ordinary	230,000	Individual	0.00%
Lee Kai-Fu	Ordinary	185,000	Individual	0.00%
Tsang King Suen Katherine	Ordinary	75,000	Individual	0.00%

(2) Long Positions in the Shares and Underlying Shares 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 and/or underlying 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]	886,315,955[2]	Corporate	41.80%
		H shares	77,533,500[2]	Corporate	14.05%
	Sisram	Ordinary	334,504,800[2]	Corporate	71.42%
	FTG	Ordinary	987,339,132[2]	Corporate	79.45%
	Shanghai Henlius	Domestic shares	291,365,387[2]	Corporate	80.00%
		H shares	35,523,439[2]	Corporate	21.74%
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Pharma	A shares[3]	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma	A shares[3]	114,075	Individual	0.01%
	FTG	Ordinary	501,478	Individual	0.04%
Xu Xiaoliang	FTG	Ordinary	2,052,328	Individual	0.17%
	Yuyuan	A shares[3]	612,800	Individual	0.02%
Gong Ping	FTG	Ordinary	200,988	Individual	0.02%
	Yuyuan	A shares[3]	183,900	Individual	0.00%
Huang Zhen	Fosun Pharma	A shares[3]	45,500	Individual	0.00%
	FTG	Ordinary	308,000	Individual	0.02%
	Yuyuan	A shares[3]	1,363,800	Individual	0.04%
Pan Donghui	FTG	Ordinary	490,000	Individual	0.04%

(3) Interests in Debentures of the Company's Associated Corporations (Within the Meaning of Part XV of The SFO)

Name	Name of associated corporation	Nature of interests	Details of debentures	Amount of debenture interested (USD)
Wang Qunbin	Fortune Star (BVI) Limited	Individual	Principal amount of USD700,000,000 due by 29 October 2025	93,420
	Fortune Star (BVI) Limited	Individual	Principal amount of USD500,000,000 due by 18 May 2026	93,420
Xu Xiaoliang	Fortune Star (BVI) Limited	Individual	Principal amount of USD700,000,000 due by 29 October 2025	251,933
	Fortune Star (BVI) Limited	Individual	Principal amount of USD500,000,000 due by 18 May 2026	251,933
Gong Ping	Fortune Star (BVI) Limited	Individual	Principal amount of USD700,000,000 due by 29 October 2025	73,865
	Fortune Star (BVI) Limited	Individual	Principal amount of USD500,000,000 due by 18 May 2026	73,865
Huang Zhen	Fortune Star (BVI) Limited	Individual	Principal amount of USD700,000,000 due by 29 October 2025	38,925
	Fortune Star (BVI) Limited	Individual	Principal amount of USD500,000,000 due by 18 May 2026	38,925

Notes:

(1) Pursuant to Division 7 of Part XV of the SFO, 6,022,557,196 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.

(2) Pursuant to Division 7 of Part XV of the SFO, the shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun International Holdings, Fosun Holdings, the Company and/or its subsidiaries.

(3) A shares mean the equity securities listed on the SSE.

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

As at 31 December 2023, 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	6,022,557,196[2]	73.42%
Fosun International Holdings[1]	6,022,557,196[2][3]	73.42%

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 31 December 2023, 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.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance (including those for the provision of services to the Group) were entered into between the Company or any of its subsidiaries and any controlling shareholder or any of its subsidiaries during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules during the Reporting Period.

CONNECTED TRANSACTIONS

For the year ended 31 December 2023, the Company had not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

MATERIAL TRANSACTIONS AND SIGNIFICANT INVESTMENTS HELD

For the year ended 31 December 2023, the Company entered into the following material transactions:

1. On 5 January 2023, the Company and Fosun Industrial Development (a subsidiary of the Company) entered into an equity transfer agreement with Beijing Camdragon Heavy Industry Group Co., Ltd.* (北京建龍重工集團有限公司) and Camdragon Investment Co., Ltd., pursuant to which Fosun Industrial Development has agreed to sell, and Beijing Camdragon Heavy Industry Group Co., Ltd.* (北京建龍重工集團有限公司) has agreed to purchase, 25.7033% equity interest in Tianjin Jianlong Iron & Steel Industrial Co., Ltd.* (天津建龍鋼鐵實業有限公司), 26.6667% equity interest in Jianlong Steel Holdings Co., Ltd.* (建龍鋼鐵控股有限公司) and 26.6667% equity interest in Beijing Northern Jianlong Industrial Co., Ltd.* (北京北方建龍實業有限公司); the Company has agreed to sell, and Camdragon Investment Co., Ltd. has agreed to purchase 26.6667% equity interest in Janeboat Holdings Ltd.. The aggregate consideration was RMB6.7 billion. The payment arrangements and the equity transfers will be completed in two stages. On 28 March 2023, the parties entered into a supplemental agreement to supplement the detailed payment arrangement of the second stage payment. Upon completion of the transaction, Fosun Industrial Development will no longer hold any equity interests in each of Tianjin Jianlong Iron & Steel Industrial Co., Ltd.* (天津建龍鋼鐵實業有限公司), Jianlong Steel Holdings Co., Ltd.* (建龍鋼鐵控股有限公司) and Beijing Northern Jianlong Industrial Co., Ltd.* (北京北方建龍實業有限公司); and the Company will no longer hold any equity interest in Janeboat Holdings Ltd.. 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 announcements of the Company dated 5 January 2023, 28 March 2023 and 12 May 2023.

2. On 14 March 2023, Fosun High Technology, Fosun Industrial Investment and Fosun Industrial Development (subsidiaries of the Company, together, the "**Nanjing Nangang Sellers**") and Shagang Group and Shagang Investment (together, the "**Previous Purchasers**") entered into an equity transfer agreement (the "**Previous ETA**"), pursuant to which, the Nanjing Nangang Sellers agreed to conditionally dispose of, and the Previous Purchasers agreed to conditionally acquire 60% equity interest in Nanjing Nangang (the **"Target Interest**") for a consideration of RMB13.58 billion (subject to adjustment) (the "**Previous Disposal**"). As at the signing date of the Previous ETA, Nanjing Iron & Steel Group Co., Ltd.* (南京鋼鐵集團有限公司, "**Nanjing Iron & Steel Group**") was a shareholder of Nanjing Nangang holding its 40% equity interest. As a result of Nanjing Iron & Steel Group's exercise of the right of first refusal on 2 April 2023, the Nanjing Nangang Sellers and Nanjing Iron & Steel Group on 2 April 2023 entered into a new equity transfer agreement, pursuant to which, the Nanjing Nangang Sellers agreed to conditionally dispose of, and Nanjing Iron & Steel Group agreed to conditionally acquire the Target Interest (the "**New Disposal**"). The consideration of the New Disposal shall be the sum of RMB13.58 billion and the capital costs (the interests on the earnest money paid by the Nanjing Nangang Sellers to Shagang Group) (subject to adjustment). The transaction has been completed as at the end of the Reporting Period, and the Group no longer holds any equity interest in Nanjing Nangang. For details of the above major transaction, please refer to the announcements of the Company dated 19 October 2022, 14 March 2023, 2 April 2023 and 5 December 2023 and the circular dated 29 June 2023 of the Company. For the litigations relating to the above major transaction, please refer to the announcements of the Company dated 21 April 2023, 27 April 2023, 31 May 2023, 9 June 2023, 29 August 2023 and 13 October 2023.

3. On 14 March 2023, Fosun High Technology entered into a share acquisition agreement with Nanjing Iron & Steel Co., Ltd.* (南京鋼鐵股份有限公司, "**Nanjing Iron & Steel**"), pursuant to which Fosun High Technology agreed to acquire, and Nanjing Iron & Steel agreed to sell 174,305,939 shares of Wansheng (the "**Acquisition Shares**", representing 29.5645% of the issued shares of Wansheng as at the date of the share acquisition agreement), and all underlying rights of such shares, at the acquisition consideration of RMB2.65 billion. On 22 October 2023, Fosun High Technology entered into a supplemental agreement with Nanjing Iron & Steel to supplement terms including in relation to the payment of the remaining acquisition consideration. The transaction has been completed as at the end of the Reporting Period. Fosun High Technology has become the sole owner of the Acquisition Shares with complete right to dispose of and receive benefits from the Acquisition Shares. For details of the above discloseable translation, please refer to the announcements of the Company dated 14 March 2023 and 23 October 2023.

4. On 19 May 2023, Alpha Yu B.V. ("**Alpha Yu**") (an indirect subsidiary of the Company) and Lorie Holding B.V. ("**Lorie Holding**") (a then minority shareholder of each of International Gemmological Institute B.V. ("**IGI Belgium**"), IGI Netherlands B.V. ("**IGI Netherlands**") and International Gemmological Institute (India) Private Limited ("**IGI India**"), as the sellers, entered into a sale and purchase agreement with BCP Asia II Topco Pte. Ltd. ("**BCP Asia II**"), as the purchaser, pursuant to which Alpha Yu has agreed to sell, and BCP Asia II has agreed to purchase, 80% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively; Lorie Holding has agreed to sell, and BCP Asia II has agreed to purchase, 20% of the entire issued share capital in each of IGI Belgium, IGI Netherlands and IGI India, respectively. The consideration payable to Alpha Yu (after deducting the stamp duty payable by Alpha Yu) was USD455.38 million (subject to the adjustment). Upon completion of the transaction, Alpha Yu will no longer hold any shares in IGI Belgium, IGI Netherlands and IGI India, and IGI Belgium, IGI Netherlands and IGI India will cease to be subsidiaries of the Company. The transaction has 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 21 May 2023.

5. On 24 July 2023, Yuyuan (an indirect subsidiary of the Company) entered into a share transfer agreement with Jinan Tiesheng No.3 Investment Partnership (Limited Partnership)* (濟南鐵晟叁號投資合夥企業(有限合夥), "**Jinan Tiesheng**"), pursuant to which Yuyuan has conditionally agreed to sell, and Jinan Tiesheng has conditionally agreed to purchase 25,363,000 shares of Jinhui Liquor Co., Ltd. * (金徽酒股份有限公司, "**Jinhui Liquor**") for a consideration of RMB598,820,430 (subject to adjustment) (the "**Disposal of Jinhui Liquor**"). On 21 August 2023, both parties entered into a supplemental agreement to amend and/or supplement the terms under the share transfer agreement in relation to the repurchase, the rights maintenance fee and the adjustments to the consideration. Pursuant to the supplemental agreement, the maximum adjustment amount to the consideration to be paid by Jinan Tiesheng to Yuyuan (if any) shall not exceed RMB50,979,630. In addition, from 2 September 2022 to 14 November 2022, during 12 months before the date of the Disposal of Jinhui Liquor, an aggregate of 65,943,800 shares of Jinhui Liquor were sold by Yuyuan and its subsidiary (the "**Previous Disposal of Jinhui Liquor**"). The aggregate consideration was RMB1,817,411,128. The Previous Disposal of Jinhui Liquor and the Disposal of Jinhui Liquor have been completed as at the end of the Reporting Period. The remaining equity interest in Jinhui Liquor indirectly held by the Company is recorded as "investments in associates". For details of the above discloseable translation, please refer to the announcements of the Company dated 24 July 2023, 21 August 2023 and 14 September 2023.

6. The Company has submitted an application to the Hong Kong Stock Exchange pursuant to the Practice Note 15 of the Listing Rules, for the approval of the proposed spin-off of Luz Saúde (an indirect non-wholly owned subsidiary of the Company) involving (i) a private placement of its shares for subscription by way of issuance of new shares and (ii) a sale of existing shares held by Fidelidade; and the listing of the shares of Luz Saúde on Euronext Lisbon (the "**Proposed Spin-off and Separate Listing**"). On 29 September 2023, the Hong Kong Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off and Separate Listing. The Proposed Spin-off and Separate Listing, if it materializes, will constitute a disposal by the Company under the Listing Rules. Following completion of the Proposed Spin-off and Separate Listing, it is expected that Luz Saúde will remain as a subsidiary of the Company. As at the end of the Reporting Period, the Proposed Spin-off and Separate Listing has not been completed. For details of the possible discloseable transaction, please refer to the announcement of the Company dated 21 November 2023.

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.

NON-COMPETITION UNDERTAKING

As disclosed in the prospectus of the Company, the Independent Non-Executive Directors will review all the matters, if any, relating to the enforcement of the deed of non-competition undertaking dated 26 June 2007 (the "**Deed of Non-competition Undertaking**"). During the Reporting Period, the Independent Non-Executive Directors have reviewed matters relating to the enforcement of the Deed of Non-competition Undertaking. Fosun International Holdings, Fosun Holdings, Mr. Guo Guangchang and Mr. Wang Qunbin (the "**Undertaker**") have provided the Company with an annual declaration of compliance with the provisions of the Deed of Non-competition Undertaking.

During the Reporting Period, the Undertaker provided the Company with all information necessary for the enforcement of the Company's rights under the Deed of Non-competition Undertaking, all information reasonably requested by the Company from time to time relating to Excluded Businesses (as defined in the Deed of Non-competition Undertaking) and such other business opportunities or activities related to any business of the Group as the Company reasonably believed were available to the Undertaker or that the Undertaker may be planning to participate in, as well as access to appropriate staff members of the Undertaker to discuss and obtain such information, in order to enable the Company to consider whether to exercise any of its rights under the Deed of Non-competition Undertaking.

RELATED PARTY TRANSACTIONS

Related party transactions entered by the Group during the Reporting Period are disclosed in note 61 to financial statements.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the Reporting Period of the Group are set out in note 67 to financial statements.

ENVIRONMENTAL POLICY AND THE PERFORMANCE

"Self-improvement, Teamwork, Performance and Contribution to Society" constitutes the cultural values of the Group. The Group always regards environmental protection, occupational health, work safety and quality management ("**EHS&Q**") as the important parts of our corporate social responsibility and has incorporated them in the Group's strategy for sustainable development. We revised the *Fosun Group Environment, Health, Safety & Quality Policy* (《復星集團安全質量環境政策》) in 2021 that specified the management requirements on water, energy and climate change, biodiversity, etc., and required companies under the Group to implement the policy.

To ensure the implementation of the policy, the Group has established the EHS&Q Department to supervise the implementation of EHS&Q by each member company and to inspect compliance operations of all member companies. The member companies responded positively, getting involved and improving the EHS&Q governance structure. To urge the implementation of a regional responsibility system, the Group issued the *Regulations on the Line Management of Environment, Health, Safety & Quality* (《上海復星高科技(集團)有限公司關於安全健康環保條線管理的規定》) that clearly stated that the year-end performance appraisal of the heads of the business segments and core member companies shall be linked to the environmental performance of the companies. In order to strictly implement the national objectives of energy conservation and emission reduction, carbon reduction and environmental protection, the Group has established a Carbon Neutralization Committee and EHS&Q Committee, which require member companies to strictly implement the requirements of laws and regulations, integrate the concept of sustainable development into each level, take quantitative indicators as the assessment indicators of management and employees, and further clarify the incentive and guarantee system.

The Group established and implemented the management framework for EHS&Q management system to systematize and standardize the EHS&Q performance of member companies on a regular basis every year. Member companies are also encouraged to establish management systems and obtain relevant certifications, such as Occupational Health and Safety Management System, Environmental Management System, National Work Safety Standardization, etc..

Sticking to the principle of sustainable development, the Group supervises and guides its member companies to mitigate the impact of production and business activities on the environment and mankind in the following aspects: reducing emissions of greenhouse gases, solid waste, wastewater and atmospheric pollutants; effectively utilizing resource, and at the same time seeking opportunities to recycle wastes; optimizing the energy structure and improving the utilization efficiency of energy and water; adapting to or mitigating the impact of climate change on the Group's business and the impact of the Group's business on climate change; and responsibly protecting natural resources and biodiversity. In 2021, the Group put forward the goal of carbon neutralization: "comprehensively implement the carbon neutralization policy and strive to achieve carbon neutralization by 2050". At the same time, the Group carried out research and deployment on biodiversity and the use of water resources, strengthened the management and control of resource utilization and carbon emission, proactively promoted green transformation and enabled the sustainable development of enterprises.

RELATIONSHIP WITH ITS EMPLOYEES, CUSTOMERS, SUPPLIERS AND INVESTORS

The Company actively manages its relationship with the general public in communities where it operates, employees, customers, suppliers, investors and other stakeholders, since the actions of such persons are able to influence the performance and value of the Company.

The Group attaches great importance to corporate social responsibility and established Fosun Foundation in November 2012 to actively participate in social welfare undertakings such as global emergency relief, rural revitalization, health, education, culture and art, and caring for children and adolescents. Fosun firmly adheres to its globalization strategy and not only leverages its Global + Local resources, but also tries to increase empathy and unites the world. Fosun wishes it could do its bit to make the world a community of common interests, common responsibility and common destiny.

The Company adopts a variety of ways to communicate with its employees, such as Fosun Morning Assembly, Fosun Luncheon Session, HR Hotline "A La Ding" (阿拉釘), employee satisfaction survey, and regular/irregular performance review and feedback from management heads in different tiers. These communication channels allow the Company to understand its employees and at the same time to deliver the Company's strategies and culture to its employees, through which the latest information of the country, industries and enterprises is also shared with our employees, thus a diverse platform for learning and development is provided. Our employees are also encouraged to attend charitable activities for upholding Fosun's value and brand. In addition, the Company has actively promoted member companies to carry out occupational health and safety management in accordance with ISO45001 system standards to provide its employees with a healthy and safe working environment.

The Company established the user operation Center and issued the Regulations on Global Customer Service and Product Quality Supervision Management (《全球客戶服務與產品質量監督管理規定》) to further improve the Group's user experience and product competitiveness. The Company has established the ISO10002 Complaints Handling Management System and passed the certification, so as to further maintain a stable customer relationship and improve service awareness and capacity. The Group strictly abides by relevant laws and regulations such as the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the Food Safety Law of the PRC (《中華人民共和國食品安全法》), EU General Food Law and French Public Health Code, etc. and actively promotes the establishment and certification of quality management system among member companies.

The basic principles of the Group for procurement practices are openness, fairness and impartiality. The supply chain digital platform (www.onelinkplus.com) empowers the supply chain management of the Group and member companies more simple, smart and prominent. We also establish a business ecosystem of mutual benefit and win-win cooperation with suppliers. The Group formulated and issued the Fosun Group Supplier Code of Conduct Version 2.0 (《復星集團供應商行為準則V2.0》), based on V1.0, to further advocate and regulate the business ethics of suppliers.

The Company actively manages the relationship with investors. Under the premise of compliance, the Investor Relations Department actively conveys the Company's information to the market to ensure high transparency and smooth communication. In addition to the daily communication with the analysts and investors, we also hold results press conferences, roadshows and reverse roadshows, investors' teleconferences, etc..

For more details of the Group's environmental policy and the performance as well as the relationship with stakeholders, please refer to our separate 2023 Environmental, Social and Governance Report published on the websites of the Hong Kong Stock Exchange and the Company or visit the Company's ESG Page: https://en.fosun.com/esg/.

EQUITY-LINKED AGREEMENTS

The Company has adopted share award schemes and share option schemes with further details set out in the section headed "Share Award Schemes" and "Share Option Schemes" under the "Directors' Report" in this annual report and note 58 to the consolidated financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

Though the Company is incorporated in Hong Kong, its business activities and investments cover various jurisdictions in addition to Hong Kong including but not limited to Chinese Mainland, the America and Europe. During the Reporting Period, the Company had complied with all material laws and regulations of jurisdictions aforesaid that have an impact on the Company.

DONATIONS

Details of donations of the Group during the Reporting Period are set out in the 2023 Environmental, Social and Governance Report of the Company.

MAJOR RISKS AND RESPONSIVE MEASURES

The Group adopts a prudent approach in the course of investment and operation, and minimizes risks for the Group and dynamically manages the risk exposure through a scientific investment decision-making process, a stringent pre-investment assessment and post-investment management system. In order to further strengthen risk management and control at the group level, the Group has comprehensively improved the enterprise risk management system in the aspects of, among other things, governance structure, rules and regulations, management tools and workflows to enhance the risk management standards. Nevertheless, the Group is still fully aware of the risks and uncertainties faced in its operations, such as:

1. Strategic Risk

Strategic risk refers to the risk that corporate strategy is not compatible with market environment or corporate capabilities due to the ineffectiveness in the formulation and implementation of strategies or the changes of the business environment. As the Group's investments cover a wide range of industries and are distributed worldwide, certain uncertainties exist in judging the development trends of industries, and deviation from expectations may also be encountered in the course of integrating global industrial resources and promoting synergy.

The Group formulates long-term development strategies on the basis of thorough research on the development trends of domestic and overseas markets and national industrial policies to ensure the strategic objectives of the Company and its subsidiaries are coordinated with each other. By reviewing the development strategies of the Group periodically, the Group makes dynamic adjustments to the strategies in a timely manner according to changes in external conditions as well. The Group drives the implementation of the established strategies through the annual budgeting process and operation plannings. Accomplishments status of the plans are tracked by monthly meetings, operation analysis meetings and post-investment risk alert mechanism, and guidance is provided to all subsidiaries to facilitate strategic risk management and avoid negative impact arising from the lack of strategic synergies among subsidiaries of the Group.

2. Market Risk

Market risk refers to the risk of unexpected losses suffered by the Group arising from adverse movements in, among other things, interest rates, equity prices, real estate prices, commodity prices and exchange rates.

The Group adheres to the core concept of "Profound Industry Operations + Industrial Investment" and has established different asset allocation principles for investments according to sources of capital and characteristics of different entities surrounding the Group's key development directions of "Health, Happiness, Wealth and Intelligent Manufacturing". Meanwhile, a multilayer market risk management system has been established to enhance the capabilities on market risk identification, assessment, measurement, analysis and response on an ongoing basis. The establishment and development of risk management goals, systems and frameworks of all independent legal entities, such as core financial enterprises and non-financial industry operating entities, are guided and supervised at the group level, asset allocation plans for the Group's annual investments are prepared by incorporating the Group's financing, rating constraints and overall risk tolerance capacity to coordinate the instant monitoring of foreign exchange risk and interest rate risk exposures at the group level and adjust hedging strategies dynamically. All subsidiaries will establish various types of investment risk limit systems by incorporating its own characteristics of assets and liabilities. Core financial enterprises perform scientific and effective warning, assessment and management on the market risk based on asset liability management strategies, investment risk reports will be issued on a regular basis by generally adopting, among other things, scenario analysis, value at risk computation and stress testing, while adopting various types of hedging measures to control interest rate risk and exchange rate risk effectively. Non-financial industry operating entities focus on synergies between industries to strike a balance on essential factors such as return, risk and long-term strategic objectives.

3. Credit Risk

Credit risk refers to the risk of unexpected losses stemming from counterparty's failure to perform obligation, or adverse change of counterparty's credit standing. The credit risk faced by the Group is mainly related to the deposits at the commercial banks, loans issuance, investment in bonds, and receivables for operating business, etc..

The Group has established a multilayer credit risk management system. Guidelines for internal credit scoring, allocation recommendations and public opinion warning are prepared for fixed-income investments at the group level, and provisions for impairment are timely made with full amount for investments with impairment signs. Core financial enterprises have established a credit risk warning and management mechanism with credit rating as its core, and targeted management and control measures will be implemented respectively on their credit risk and counterparty concentration risk according to the characteristics of the different natures and risks of their own businesses. Through setting classification standards on credit ratings, industries and regions, credit risk exposures of the underlying assets are monitored on a regular basis so that their risk conditions are reflected timely to the relevant business departments and the management for taking risk responsive measures in a timely manner. Non-financial industry operating entities manage and control credit risk of receivables through measures, such as assessment of counterparties, regular aging analysis and timely recovery calls.

4. Liquidity Risk

Liquidity risk refers to the risk of being unable to pay the due obligations or perform other payment obligations due to the inability to get enough capital in time or at a reasonable cost.

The Group adopts a stable and sound liquidity risk management and control strategy. In terms of funding and treasury policies, the Company's Treasury Management Department closely monitors the liquidity conditions of core subsidiaries, it also monitors, controls and forecasts the cash position and capital needs within a certain period in the future at the group level and among core subsidiaries, and conducts stress tests with different scenarios according to the different sources of funds. Funding plans will be prepared to meet immediate or possible emerging cash gaps on the basis of maintaining independent operations among all subsidiaries. Core financial enterprises have established a daily monitoring and detecting mechanism for liquidity risk, by adopting risk management tools such as scenario analysis and stress testing to monitor liquidity risk in a dynamic manner. Non-financial industry operating entities adjust the liquidity contingency plan in a timely manner in accordance with the forecast of liquidity needs in the daily business activities.

5. Insurance Risk

Insurance risk refers to the risk of losses to insurance companies caused by deviation of actual mortality, morbidity, loss ratio, expense ratio, lapse rate, etc. from the assumptions used in pricing.

All insurance subsidiaries of the Group assess and monitor insurance risks by adopting sensitivity analysis, scenario analysis, stress testing and empirical analysis, and evaluate the impacts of different actuarial assumptions, such as discount rate, investment yield, mortality, morbidity, lapse rate and expense ratio, on insurance technical reserves, solvency ratio or profitability etc..

6. Compliance Risk

Compliance risk refers to the potential of an enterprise and its employees and agents being subject to legal obligations, regulatory penalties, financial or reputation losses due to failure to comply with laws or regulations. With businesses spanning the globe, the Group is also subject to the laws and regulatory rules of different jurisdictions.

The Group deeply understands the importance of compliance in operation to the development of a corporation and always regards EHS&Q as the key contents of performing social responsibility. The Group complies with the information disclosure requirements of the Hong Kong Stock Exchange and stock exchanges in places where the investment enterprises operate and performs disclosure obligations in a timely manner. With the background of tightened supervision and regulation over the global financial industry, the Group has strengthened its tracking on regulatory changes and issued compliance risk alerts of the financial sectors to timely analyze and assess the effects of new supervisory and regulatory rules on the operation of the financial enterprises of the Group, as well as to trace the effects of implemented measures to control compliance risk.

7. Operation Risk

The Group has made investments in the areas of "Health, Happiness, Wealth and Intelligent Manufacturing" in a number of countries and regions around the world. After completion of acquisitions, with subsidiaries acquired globally, the Group is faced with post-investment execution and consolidation risks in the aspects of, among other things, operational management, cultural integration and sense of identity among employees.

While promoting global operation capability, the Group drives progress in the localization of our investment team, core management members and platforms. By maintaining understanding of the local market through quality management measures, in-depth development of the invested industry is realized. The Group also enhances mutual interflow and communication between subsidiaries and the Group through the Overseas Operation Committee, various types of measures are also adopted to enhance cultural identity, manage and control operation risk.

8. Reputation Risk

Reputation risk refers to the risk of losses resulting from the stakeholders' negative evaluation on the corporation consequent to its own business operations and management or external events.

The Group has established the Crisis Management Committee to coordinate the crisis management work of the headquarters, industrial groups and core enterprises, formed a reputation risk management mechanism comprising pre-event warning, responsive measures to risk events, post-event risk review and reputation restoration. The Crisis Management Committee is also responsible for coordinating the Group's internal and external resources for reputation risk management, supervising the Group to evolve its crisis management mechanism, and enhancing the Group's crisis management capabilities, with a view to safeguarding the Group's production and operation and serving its global family customers.

9. Capital Management

The key objective of capital management of the Group is to maintain a capital adequacy level in line with the Group's overall risk position, while maximizing the return for shareholders. The business development of the core financial enterprises of the Group is limited by adequacy of the capital or solvency. With the implementation of Solvency II and C-ROSS, the Group has established and improved solvency management system focusing on capital constraints in the insurance sector to implement asset liability management, monitor the evolving trend of solvency ratios on a regular basis, analyze the composition and changes of risk capital in core insurance companies and support the optimization of asset allocation in order to achieve a better balance among risk, capital and return.

10. Risk Contagion

Risk contagion refers to a situation where the risk created by a member of a group spreads to another member of the group by means of intra-group transactions or other activities, causing losses to such other member.

While developing synergies, the Group has also established a clear and complete legal entity governance structure to improve the risk-oriented internal control system for the implementation of prudent management policies. Meanwhile, the firewalls and connected transaction management have been established and improved continuously to enhance risk segregation within the Group.

FUTURE DEVELOPMENT OF THE GROUP

Future development of the Group is set out in the "Letter to Shareholders" in this annual report.

AUDITORS

There has been no change in auditor of the Company during the three years prior to the date of this report. The financial statements of the Group were audited by Ernst & Young. Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and the directors and officers liability insurance ("**D&O Insurance**") taken out by the Company throughout the year, every Director shall be entitled to be indemnified out of the assets of the Company against losses or liabilities incurred by him or her in the execution of the duties of his or her office or in relation thereto. The relevant provisions in the Articles of Association and the D&O Insurance were in force during the Reporting Period and as of the date of this report.

On Behalf of the Board

Guo Guangchang
Chairman

27 March 2024

Awards and Recognition

AWARDS RECEIVED BY FOSUN IN 2023

January	Fosun International won three awards, namely, "Best Capital Market Communications", "Best ESG" and "Best Investor Relations" at the 6th China IR Annual Awards jointly organized by Roadshow China and Excellent IR.
February	Fosun Foundation's Rural Doctors Program was awarded "Charitable Program and Charitable Trust Award" at the first Shanghai Charity Awards Ceremony organized by the Shanghai Municipal People's Government and Shanghai Civil Affairs Bureau.
	Fosun International and Fosun Foundation were awarded "Caring Company" and "Caring Organization" respectively at the Hong Kong Social Service Expo 2023 organized by the Hong Kong Council of Social Service.
March	Fosun International ranked third on the list of "2022 Hurun China Private Companies SDG Readiness 100" released by the Hurun Research Institute, which listed 100 Chinese privately-owned companies that best meet the 17 Sustainable Development Goals (SDGs) of the United Nations.
May	Fosun International was awarded "Best CSR Company Hong Kong 2023" and "Most Influential Family-oriented Consumer Brand Hong Kong 2023" by *Finance Derivative*, a global finance and business analysis magazine.
June	Fosun International was granted "Asia's Best CSR", "Asia's Best CEO" and "Best Corporate Communications" at the 13th Asian Excellence Award by *Corporate Governance Asia.*
	The Financial Program Center of China Media Group (CMG), together with the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the All-China Federation of Industry and Commerce (ACFIC), the Institute of Economics of the Chinese Academy of Social Sciences (CASS), the China Enterprise Reform and Development Society (CERDS), and other authoritative organizations and departments launched the China ESG (Corporate Social Responsibility) Release. Fosun International was listed among China's Top 100 ESG Listed Companies, becoming an ESG leader that ranked fifth overall and first in the composite industry.
	Fosun International was included in S&P Global's Sustainability Yearbook 2023 (China Edition) and recognized as Industry Mover.
	Fosun International won the "Most Honored Company" at *Institutional Investor's* "2023 All-Asia Executive Team" Rankings. It also received 10 accolades, including Best CFO, Best IR Team, Best IR Professional in the Chinese Mainland category, and Best Board of Directors, Best CEO, Best CFO, Best ESG, Best IR Program, Best IR Team, and Best IR Professional in the Small & Midcap category.
July	Fosun International was ranked No. 79 on "China's Fortune 500 Listed Companies" and No. 153 on "China's Fortune 500" in 2023 by *Fortune China*.
	At the 15th China Corporate Social Responsibility Annual Conference hosted by *Southern Weekend*, Fosun International ranked 9th in the "2022 China Corporate Social Responsibility Ranking".
August	Fosun International was awarded as a "Pioneering Organisation in ESG Disclosure Contribution" at the Hong Kong Green and Sustainability Contribution Awards 2023 organised by Hong Kong Quality Assurance Agency (HKQAA).
September	In the *2023 China Corporate Sustainability Index Report* released by China Business Council for Sustainable Development (CBCSD) and China Enterprise Confederation (CEC)/China Enterprise Directors Association (CEDA), Fosun International ranked third in the list of "2023 China Top 100 Sustainable Enterprises".

October	Fosun International was awarded the "Holding Group Brand of the Year Awards Asia 2023", "Best Sustainable Development Company Asia 2023" and "Best CSR Company Asia 2023" by *Global Banking and Finance Review*, a UK leading financial magazine.
	Fosun International was granted the Commendation for "Excellence in Environmental Positive Impact" from the Hong Kong ESG Reporting Awards (HERA) 2023 which was supported by the Environment Bureau and InvestHK under the Government of the Hong Kong Special Administrative Region and organized by Hong Kong ESG Reporting Awards.
	Fosun International ranked No. 151 on 2023 "World's Best Employers" by *Forbes*.
	Fosun International was named "Good MPF Employer" by Hong Kong Mandatory Provident Fund Schemes Authority.
November	Fosun International was granted "Best Environmental, Social and Governance Reporting Award" at the Hong Kong Management Association (HKMA) 2023 Best Annual Reports Awards.
	Fosun International was granted "Best in ESG Practices" and "Best in ESG Report" at the TVB ESG Awards 2023 organised by Television Broadcasts Limited.
	Fosun International was granted the "Platinum Award" at The Asset ESG Corporate Awards 2023, the "Best Sustainability Team Award" and the "Best Investor Relations Team Award" by *The Asset*, a renowned international financial magazine.
	In the *Blue Book of Corporate Social Responsibility 2023* released by China Social Responsibility 100 Forum and the research institute of CRS Cloud, Fosun International ranked "Top Ten Responsible Privately-owned Enterprises".
	Fosun International was granted the "ESG Leading Enterprise Awards" in the Category I – Market capitalization over HK$20 billion by the *Bloomberg Businessweek/Chinese Edition* ESG Leading Enterprise Awards 2023.
	Fosun International was one of the "Forbes China ESG Innovation Enterprises" at the 2023 Forbes China ESG Innovation Enterprise Selection.
	Fosun International was granted "Global Talent Magnet Employer" award by LinkedIn, a globally well-known workplace social media.
	Fosun was awarded "Best Employer Brand Excellence Award" and "Best Corporate Culture Outstanding Case Award" by KNX Human Resource Solutions, a renowned professional services firm in China. Fosun also ranked among "Top 50 Excellent Human Resources Digitalization Cases" and was included in the "Pioneer List of Best Practices in Human Resources Digitalization" by KNX Human Resource Solutions.
December	Fosun International ranked among "Top 10 Dual Carbon Goal Activists" by *Southern Weekend*.
	Fosun was named "Excellent Employer" by Liepin ("獵聘"), a renowned professional human resources recruitment platform in China.

Independent auditor’s report

Ernst & Young
27/F, One Taikoo Place
979 King’s Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座 27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the members of Fosun International Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Fosun International Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 123 to 352, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

To the members of Fosun International Limited
(Incorporated in Hong Kong with limited liability)

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of investment properties	
As at 31 December 2023, the carrying amount of investment properties, which are stated at fair value, amounted to approximately RMB93,341 million. Management engages external valuers to facilitate its determination of the fair values of all investment properties and the Group's policy is that property valuations are performed by external valuers on a regular basis. The valuation of the investment properties is highly dependent on estimates and assumptions, such as estimated rental, capitalisation rates, occupancy rates and market knowledge. The use of different estimates and assumptions could result in significantly different fair values. The Group's disclosures about the fair value measurement of investment properties are included in note 2.4 *Material accounting policies* and note 3 *Significant accounting judgements and estimates – estimation uncertainty (iv)*, which specify the policies regarding the fair value measurement of investment properties, and note 33 which specifically explains the fair value hierarchy and valuation techniques and the key inputs to the valuation of investment properties.	Amongst our audit procedures, we considered the objectivity, independence and expertise of the external valuers. We involved internal valuation specialists to assist us in evaluating the valuation techniques and assessing the underlying assumptions for selected samples, which included reference to the leasing contracts, external market rents and historical information of occupancy rates, and in respect of the capitalisation rates, our internal specialists assisted us in checking to the market data applied by real estate industry analysis. We also assessed the adequacy of the disclosures on the fair value measurement of investment properties.
Valuation of insurance contract liabilities	
The Group had significant insurance contract liabilities of RMB62,811 million as at 31 December 2023. We identified the valuation of insurance contract liabilities as a key audit matter, as it requires significant estimates and judgements. The valuation of insurance contract liabilities involves significant judgement over the appropriateness of the measurement approach, the determination of the coverage units and the uncertainty of future cash flows. Complex actuarial models and actuarial assumptions with highly judgmental nature are used to support the valuation of insurance contract liabilities. Key assumptions include discount rates, mortality, morbidity, expenses and lapse, etc. The Group's disclosures about the valuation for insurance contract liabilities are included in note 2.4 *Material accounting policies* and note 3 *Significant accounting judgements and estimates – estimation uncertainty (xiii) – (xvii)* which specifically explain the methodologies, and assumptions used in the valuation, and note 27 which disclose the details of the insurance contract liabilities recognised as at 31 December 2023.	With the support of our internal experts, we performed the following audit procedures: – Reviewed the Group's accounting policies in relation to the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of key controls over the valuation of insurance contract liabilities. – Evaluated the reasonableness of key judgements and assumptions. – Assessed the appropriateness of the valuation approaches of insurance contract liabilities. Performed independent recalculation on insurance contract liabilities of selected typical insurance products or groups of insurance contracts. – Tested the completeness and accuracy of the underlying data used in the valuation of insurance contract liabilities. – Evaluated the overall reasonableness of the insurance contract liabilities by performing movement analysis and assessing the impact of changes in key assumptions.

安永

To the members of Fosun International Limited
(Incorporated in Hong Kong with limited liability)

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

EY 安永

To the members of Fosun International Limited
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

To the members of Fosun International Limited
(Incorporated in Hong Kong with limited liability)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LAU Kwok Wa Lawrence.

Ernst & Young
Certified Public Accountants

Hong Kong
27 March 2024

Consolidated Statement of Profit or Loss

Year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
TOTAL REVENUE	*6*	**198,200,310**	182,425,773
Revenue		**161,273,854**	143,373,137
Insurance revenue		**36,926,456**	39,052,636
Cost of sales		**(113,729,199)**	(96,397,263)
Insurance service expense		**(31,070,582)**	(36,189,208)
Net service expense from reinsurance contracts held		**(2,603,567)**	(2,529,171)
Financial expenses from insurance contracts issued	*7*	**(918,876)**	(23,371)
Financial income from reinsurance contracts held	*8*	**126,071**	50,213
Other income and gains	*6*	**16,297,201**	21,806,308
Selling and distribution expenses		**(20,872,759)**	(17,629,718)
Administrative expenses		**(28,436,411)**	(25,944,682)
Other expenses		**(6,285,255)**	(9,355,608)
Finance costs	*9*	**(12,393,562)**	(10,886,682)
Share of profits of:			
Joint ventures		**2,869,750**	966,290
Associates		**6,688,586**	4,398,499
PROFIT BEFORE TAX	*10*	**7,871,707**	10,691,380
Tax	*12*	**(2,524,581)**	(7,694,818)
PROFIT FOR THE YEAR		**5,347,126**	2,996,562
Attributable to:			
Owners of the parent		**1,379,103**	(831,803)
Non-controlling interests		**3,968,023**	3,828,365
		5,347,126	2,996,562
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit/(loss) for the year (RMB)	*14*	**0.17**	(0.10)
Diluted			
– For profit/(loss) for the year (RMB)	*14*	**0.17**	(0.10)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

	2023 RMB'000	2022 RMB'000 (Restated)
PROFIT FOR THE YEAR	**5,347,126**	2,996,562
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Finance reserve for insurance contracts issued	**(2,017,279)**	4,857,146
Income tax effect	**312,680**	(1,079,232)
	(1,704,599)	3,777,914
Finance reserve for reinsurance contracts held	**103,748**	(241,273)
Income tax effect	**(20,242)**	28,667
	83,506	(212,606)
Debt investments at fair value through other comprehensive loss:		
Changes in fair value	**3,347,141**	(7,917,257)
Changes in allowance for expected credit losses	**(94,315)**	120
Reclassification adjustments for (gains)/losses on disposal included in the consolidated statement of profit or loss	**(19,975)**	1,073,493
Income tax effect	**(695,428)**	1,677,957
	2,537,423	(5,165,687)
Fair value adjustments of hedging instruments in cash flow hedges	**(104,132)**	134,453
Income tax effect	**29,376**	(24,045)
	(74,756)	110,408
Fair value adjustments of hedging of a net investment in a foreign operation	**(131,299)**	159,102
Income tax effect	**41,359**	(37,024)
	(89,940)	122,078
Share of other comprehensive income/(loss) of associates	**796,765**	(3,502,526)
Share of other comprehensive (loss)/income of joint ventures	**(51,958)**	14,952
Exchange differences on translation of foreign operations	**2,252,904**	656,793
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**3,749,345**	(4,198,674)

	Note	2023 RMB'000	2022 RMB'000 (Restated)
OTHER COMPREHENSIVE INCOME *(continued)*			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Revaluation difference upon transfer from owner-occupied property to investment property	*33*	**(32,504)**	9,003
Income tax effect		**11,234**	(1,027)
		(21,270)	7,976
Actuarial reserve relating to employee benefits		**(18,636)**	407,434
Income tax effect		**4,980**	(77,986)
		(13,656)	329,448
Equity investments designated at fair value through other comprehensive income:			
Change in fair value		**(308,035)**	(92,741)
Income tax effect		**101,482**	49,943
		(206,553)	(42,798)
Share of other comprehensive (loss)/income of associates		**(222,359)**	83,581
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(463,838)**	378,207
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**3,285,507**	(3,820,467)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**8,632,633**	(823,905)
Attributable to:			
Owners of the parent		**4,230,533**	(4,823,248)
Non-controlling interests		**4,402,100**	3,999,343
		8,632,633	(823,905)

Consolidated Statement of Financial Position

31 December 2023

	Notes	**31 Dec 2023 RMB'000**	31 Dec 2022 RMB'000 (Restated)	1 Jan 2022 RMB'000 (Restated)
ASSETS				
Cash and bank balances	*15*	**92,459,644**	100,564,000	96,779,519
Reverse repurchase agreements	*44*	**6,844,927**	–	–
Loans and advances to customers	*16*	**16,097,595**	16,162,944	16,793,872
Trade and notes receivables	*17*	**14,414,166**	13,200,451	10,618,340
Inventories	*18*	**26,233,846**	25,649,708	22,263,338
Completed properties for sale		**16,598,108**	15,028,738	14,781,146
Properties under development	*19*	**46,776,244**	62,079,128	51,208,864
Contract assets and other assets	*20*	**229,266**	610,268	36,125
Due from related companies	*21*	**18,015,068**	12,929,293	18,210,088
Prepayments, other receivables and other assets	*22*	**31,953,684**	35,442,321	35,480,359
Assets classified as held for sale	*23*	**2,906,203**	19,817,066	556,217
Placements with and loans to banks and other financial institutions		**473,054**	55,010	425,483
Derivative financial instruments	*24*	**3,615,676**	3,537,338	3,057,582
Financial assets at fair value through profit or loss	*25*	**52,941,186**	59,964,219	67,608,984
Finance lease receivables	*26*	**699,545**	789,562	838,689
Reinsurance contract assets	*27*	**9,117,577**	8,841,570	7,938,130
Insurance contract assets	*27*	**1,803,797**	1,775,046	6,189,854
Debt investments at fair value through other comprehensive income	*28*	**72,473,645**	63,534,884	80,908,414
Debt investments at amortised cost	*29*	**29,400,296**	25,171,823	25,984,474
Policyholder account assets in respect of unit-linked contracts	*30*	**29,442,770**	23,276,840	12,708,621
Equity investments designated at fair value through other comprehensive income	*31*	**2,696,542**	2,763,627	3,054,695
Property, plant and equipment	*32*	**55,226,701**	45,668,203	42,387,533
Investment properties	*33*	**93,340,801**	95,743,357	67,229,732
Right-of-use assets	*34*	**23,852,435**	21,297,657	18,608,758
Exploration and evaluation assets	*35*	**542,140**	584,684	411,330
Mining rights	*36*	**1,311,399**	480,763	496,997
Oil and gas assets	*37*	**1,974,760**	1,890,258	1,959,612
Intangible assets	*38*	**36,790,363**	34,278,110	27,116,359
Investments in joint ventures	*39*	**12,584,076**	9,903,075	33,395,605
Investments in associates	*40*	**68,254,580**	68,653,959	92,808,915
Goodwill	*41*	**29,547,898**	27,413,654	24,804,818
Deferred tax assets	*42*	**9,769,597**	9,268,677	7,947,331
Total assets		**808,387,589**	806,376,233	792,609,784

	Notes	31 Dec 2023 RMB'000	31 Dec 2022 RMB'000 (Restated)	1 Jan 2022 RMB'000 (Restated)
LIABILITIES				
Deposits from customers	43	82,216,087	76,935,942	71,851,392
Assets sold under agreements to repurchase	44	188,063	151,868	1,467,606
Accounts payable to brokerage clients		990,853	3,828	421,560
Placements from banks and other financial institutions		–	149,062	122,735
Financial liabilities at fair value through profit or loss	45	6,697,408	4,306,876	4,078,714
Liabilities directly associated with the assets classified as held for sale	23	79,178	117,467	27,151
Trade and notes payables	46	26,407,670	24,393,592	21,406,410
Contract liabilities	47	19,865,129	24,332,437	20,942,466
Tax payable		13,148,210	12,078,193	11,896,130
Due to banks and other financial institutions	48	1,103,458	1,141,108	4,375,871
Derivative financial instruments	24	4,039,509	3,148,743	5,740,791
Accrued liabilities and other payables	49	74,582,013	77,262,805	56,945,549
Due to related companies	21	2,199,034	5,104,219	3,836,309
Interest-bearing bank and other borrowings	50	211,923,910	226,919,151	237,119,485
Reinsurance contract liabilities	27	3,103,216	3,517,286	2,205,168
Insurance contract liabilities	27	62,811,295	59,205,512	70,306,631
Investment contract liabilities	51	37,583,333	40,765,932	47,160,507
Financial liabilities for unit-linked contracts	51	29,442,770	23,276,840	12,708,621
Due to the holding company	21	244,358	122,606	2,770,224
Deferred income	52	1,243,012	1,231,069	971,999
Deferred tax liabilities	42	21,944,245	23,136,678	16,645,826
Total liabilities		599,812,751	607,301,214	593,001,145
NET ASSETS		208,574,838	199,075,019	199,608,639
EQUITY				
Equity attributable to owners of the parent				
Share capital	53	37,286,880	37,146,381	36,919,889
Treasury shares		(326,634)	(353,338)	(254,519)
Other reserves		87,976,542	83,940,679	91,316,839
		124,936,788	120,733,722	127,982,209
Non-controlling interests		83,638,050	78,341,297	71,626,430
Total equity		208,574,838	199,075,019	199,608,639

Guo Guangchang
Director

Gong Ping
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

2023	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2022	37,146,381	(353,338)	(443,540)	16,958,449	(9,271,813)	6,779,196	74,457,983	(3,752,442)	121,520,876	78,108,939	199,629,815
Effect of changes in accounting policies-HKFRS17 (note 2.2)	–	–	–	(194,665)	740,508	3,210,586	(4,609,437)	65,854	(787,154)	232,358	(554,796)
At 1 January 2023 (restated)	37,146,381	(353,338)	(443,540)*	16,763,784*	(8,531,305)*	9,989,782*	69,848,546*	(3,686,588)*	120,733,722	78,341,297	199,075,019
Profit for the year	–	–	–	–	–	–	1,379,103	–	1,379,103	3,968,023	5,347,126
Other comprehensive income for the year:											
Finance reserve from insurance contracts issued, net of tax	–	–	–	–	–	(1,100,088)	–	–	(1,100,088)	(604,511)	(1,704,599)
Finance reserve from reinsurance contracts held, net of tax	–	–	–	–	–	66,392	–	–	66,392	17,114	83,506
Equity investments designated at fair value through other comprehensive income											
Changes in fair value, net of tax	–	–	–	–	(118,918)	–	–	–	(118,918)	(87,635)	(206,553)
Debt investments at fair value through other comprehensive income											
Gains on fair value adjustment, net of tax	–	–	–	–	1,989,014	–	–	–	1,989,014	604,963	2,593,977
Changes in allowance for expected credit losses	–	–	–	–	36,389	–	–	–	36,389	40,629	77,018
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss, net of tax	–	–	–	–	(112,545)	–	–	–	(112,545)	(21,027)	(133,572)
Share of other comprehensive income of associates	–	–	–	–	665,796	–	–	–	665,796	(91,390)	574,406
Share of other comprehensive loss of joint ventures	–	–	–	–	(51,958)	–	–	–	(51,958)	–	(51,958)
Fair value adjustments of the hedging instruments in cash flow hedges, net of tax	–	–	–	–	–	(56,104)	–	–	(56,104)	(18,652)	(74,756)
Fair value adjustments of hedging of a net investment in a foreign operation, net of tax	–	–	–	–	–	–	–	(76,445)	(76,445)	(13,495)	(89,940)
Revaluation difference upon transfer from owner-occupied property to investment property, net of tax	–	–	–	–	–	(42,873)	–	–	(42,873)	21,603	(21,270)
Actuarial reserve relating to employee benefits, net of tax	–	–	–	–	–	(33,120)	–	–	(33,120)	19,464	(13,656)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	1,685,890	1,685,890	567,014	2,252,904
Total comprehensive income for the year	–	–	–	–	2,407,778	(1,165,793)	1,379,103	1,609,445	4,230,533	4,402,100	8,632,633

2023	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Acquisition of subsidiaries (note 56(a))	–	–	–	–	–	–	–	–	–	5,138,813	5,138,813
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	1,214,308	1,214,308
Distribution paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	(2,786,357)	(2,786,357)
Final 2022 dividends	–	–	–	–	–	–	(103,349)	–	(103,349)	–	(103,349)
Transfer from retained earnings	–	–	–	1,575,358	–	–	(1,575,358)	–	–	–	–
Share of other reserve of associates	–	–	–	–	–	10,076	–	–	10,076	(23,987)	(13,911)
Share of other reserve of joint ventures	–	–	–	–	–	(45,775)	–	–	(45,775)	(29,414)	(75,189)
Deemed disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	(22,423)	–	–	(22,423)	37,268	14,845
Disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	337,497	–	–	337,497	34,166	371,663
Fair value adjustment on the share redemption option granted to non-controlling shareholders of subsidiaries	–	–	–	–	–	(140,852)	–	–	(140,852)	(72,374)	(213,226)
Equity-settled share-based payments of the Company (note 58)**	140,499	13,045	–	–	–	14,543	–	–	168,087	–	168,087
Equity-settled share-based payment of subsidiaries	–	–	–	–	–	–	–	–	–	158,785	158,785
Deemed acquisition of additional interests in a subsidiary	–	–	–	–	–	(19,099)	–	–	(19,099)	15,136	(3,963)
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(31,200)	–	–	(31,200)	(765,592)	(796,792)
Disposal of subsidiaries (note 56(b))	–	–	–	–	–	–	–	–	–	(2,026,099)	(2,026,099)
Re-purchase of shares	–	13,659	–	–	–	–	(194,088)	–	(180,429)	–	(180,429)
At 31 December 2023	37,286,880	(326,634)	(443,540)*	18,339,142*	(6,123,527)*	8,926,756*	69,354,854*	(2,077,143)*	124,936,788	83,638,050	208,574,838

* These reserve accounts comprise the consolidated other reserves of RMB87,976,542,000 (31 December 2022: RMB83,940,679,000 (Restated)) in the consolidated statement of financial position.

** According to the share award scheme announced by the Company, during the year of 2023, the Company issued and the employee benefit trust established by the Company allotted 27,737,000 new shares which were awarded to selected participants and will be vested based on certain vesting conditions. During the year, 23,786,510 shares were vested.

2022	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2021	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
Effect of changes in accounting policies -HKAS 38**	–	–	–	–	–	–	(82,500)	7,618	(74,882)	(19,660)	(94,542)
Effect of changes in accounting policies -HKFRS 17 (note 2.2)	–	–	–	–	(301,951)	514,609	(3,433,584)	208,111	(3,012,815)	(497,902)	(3,510,717)
At 1 January 2022 (restated)	36,919,889	(254,519)	(443,540)	16,601,416	(1,116,730)	6,646,586	73,568,199	(3,939,092)	127,982,209	71,626,430	199,608,639
Profit for the year (restated)	–	–	–	–	–	–	(831,803)	–	(831,803)	3,828,365	2,996,562
Other comprehensive income for the year (restated):											
Finance reserve from insurance contracts issued, net of tax	–	–	–	–	–	3,023,409	–	–	3,023,409	754,505	3,777,914
Finance reserve from reinsurance contracts held, net of tax	–	–	–	–	–	(197,523)	–	–	(197,523)	(15,083)	(212,606)
Equity investments designated at fair value through other comprehensive income											
Changes in fair value, net of tax	–	–	–	–	(28,533)	–	–	–	(28,533)	(14,265)	(42,798)
Debt investments at fair value through other comprehensive income											
Loss on fair value adjustment, net of tax	–	–	–	–	(5,273,994)	–	–	–	(5,273,994)	(1,033,634)	(6,307,628)
Changes in allowance for expected credit losses	–	–	–	–	(83,787)	–	–	–	(83,787)	(9,287)	(93,074)
Reclassification adjustments for loss on disposal included in the consolidated statement of profit or loss, net of tax	–	–	–	–	1,190,780	–	–	–	1,190,780	44,235	1,235,015
Share of other comprehensive loss of associates	–	–	–	–	(3,233,993)	–	–	–	(3,233,993)	(184,952)	(3,418,945)
Share of other comprehensive income of joint ventures	–	–	–	–	14,952	–	–	–	14,952	–	14,952
Fair value adjustments of the hedging instruments in cash flow hedges, net of tax	–	–	–	–	–	52,542	–	–	52,542	57,866	110,408
Fair value adjustments of hedging of a net investment in a foreign operation, net of tax	–	–	–	–	–	–	–	103,762	103,762	18,316	122,078
Revaluation difference upon transfer from owner-occupied property to investment property, net of tax	–	–	–	–	–	4,705	–	–	4,705	3,271	7,976
Actuarial reserve relating to employee benefits, net of tax	–	–	–	–	–	287,493	–	–	287,493	41,955	329,448
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	148,742	148,742	508,051	656,793
Total comprehensive income for the year	–	–	–	–	(7,414,575)	3,170,626	(831,803)	252,504	(4,823,248)	3,999,343	(823,905)

2022	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	1,381,058	1,381,058
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	563,820	563,820
Distribution paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	(2,784,757)	(2,784,757)
Final 2021 dividends	–	–	–	–	–	–	(2,148,152)	–	(2,148,152)	–	(2,148,152)
Transfer from retained earnings	–	–	–	162,368	–	–	(162,368)	–	–	–	
Share of other reserve of associates	–	–	–	–	–	(172,236)	–	–	(172,236)	(10,925)	(183,161)
Share of other reserve of joint ventures	–	–	–	–	–	818	–	–	818	(292)	526
Deemed disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	857,549	–	–	857,549	3,561,701	4,419,250
Disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	25,371	–	–	25,371	4,032,131	4,057,502
Fair value adjustment on the share redemption option granted to non-controlling shareholders of subsidiaries	–	–	–	–	–	(150,693)	–	–	(150,693)	(74,755)	(225,448)
Equity-settled share-based payments of the Company (note 58)*	226,492	(142,292)	–	–	–	30,756	–	–	114,956	–	114,956
Equity-settled share-based payment of subsidiaries	–	–	–	–	–	–	–	–	–	198,378	198,378
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(418,995)	–	–	(418,995)	(1,012,946)	(1,431,941)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(3,137,889)	(3,137,889)
Re-purchase of shares	–	43,473	–	–	–	–	(577,330)	–	(533,857)	–	(533,857)
At 31 December 2022 (restated)	37,146,381	(353,338)	(443,540)	16,763,784	(8,531,305)	9,989,782	69,848,546	(3,686,588)	120,733,722	78,341,297	199,075,019

* According to the share award scheme announced by the Company, during the year of 2022, the Company issued and the employee benefit trust established by the Company allotted 35,265,200 new shares which were awarded to selected participants and will be vested based on certain vesting conditions. During the year, 8,626,630 shares were vested.

** In IFRIC Update March 2021, the IFRS Interpretations Committee published its agenda decision on Configuration or Customisation Costs under a Software as a Service ("SaaS") contract ("IFRIC Agenda Decision") in relation to the application of IAS 38 (which is equivalent to HKAS 38). The Group applied the IFRIC Agenda Decision in the year of 2022 and the configuration or customisation costs for SaaS contract which were previously capitalised were charged to expenses. The change in accounting policy has been accounted for retrospectively and the comparative figures for the corresponding comparative prior periods have been restated.

Consolidated Statement of Cash Flows

31 December 2023

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**7,871,707**	10,691,380
Adjustments for:			
Depreciation of items of property, plant and equipment	*10*	**3,936,784**	3,589,760
Depreciation of right-of-use assets	*10*	**3,271,188**	2,670,621
Amortisation of intangible assets	*10*	**2,730,799**	2,229,944
Amortisation of mining rights	*10*	**16,594**	16,234
Amortisation of oil and gas assets	*10*	**601,704**	500,396
Exploration expensed and written off	*35*	**128,172**	139,480
Provision for impairment of oil and gas assets	*10*	**–**	174,145
Provision for impairment of right of use assets	*10*	**36,985**	3,882
Provision for impairment of items of property, plant and equipment	*10*	**47,256**	57,870
Provision for impairment of intangible assets	*10*	**144,525**	149,703
Provision for impairment of goodwill	*10*	**76,196**	197,511
Provision/(reversal) of impairment of debt investments at fair value through other comprehensive income	*6/10*	**94,315**	(120)
Provision for impairment of investments in associates	*10*	**904,641**	1,908,093
Provision for impairment of receivables	*10*	**299,981**	632,680
Provision for impairment of debt investments at amortised cost	*10*	**236,357**	33,453
Provision for inventories	*10*	**234,796**	472,050
Provision for impairment of completed properties for sale	*10*	**340,456**	14,259
Provision for impairment of property under development	*10*	**438,049**	–
Provision for impairment of finance lease receivables	*10*	**49,541**	13,093
Provision for impairment of loans and advances to customers	*10*	**116,241**	30,648
Gain on disposal of subsidiaries	*6*	**(1,606,965)**	(1,253,732)
Gain on bargain purchase of subsidiaries	*6*	**–**	(306,277)
Loss on disposal/partial disposal of associates	*10*	**88,739**	2,080,507
Gain on deemed disposal of associates	*6*	**(106,147)**	(35,337)
Subtotal carried forward		**19,951,914**	24,010,243

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES *(continued)*			
Subtotal carried forward		**19,951,914**	24,010,243
(Loss)/gain on disposal of right-of-use assets	*34c*	**146**	(14,132)
Gain on disposal of items of property, plant and equipment	*6*	**(336,502)**	(89,157)
Gain on remeasurement of previously held interests in step acquisitions of subsidiaries	*6*	**–**	(1,408,718)
Loss on disposal of debt investments at fair value through other comprehensive income	*10*	**341,614**	235,429
Gain on disposal of intangible assets	*6*	**(604,138)**	(330,755)
(Gain)/Loss on fair value adjustment of financial assets at fair value through profit or loss	*6/10*	**(2,068,203)**	1,767,538
Gain on fair value adjustment of investment properties	*6*	**(1,113,884)**	(8,843,358)
Loss on derivative financial instruments	*10*	**183,902**	1,198,406
COVID-19-related rent concessions from lessors	*34c*	**–**	(148,452)
Interest expenses	*9*	**12,064,164**	10,464,836
Interest income	*6*	**(1,080,357)**	(960,883)
Dividends and interest from equity investments designated at fair value through other comprehensive income	*6*	**(159,312)**	(145,737)
Dividends and interest from debt investments at fair value through other comprehensive income	*6*	**(2,453,216)**	(2,099,712)
Dividends and interest from financial assets at fair value through profit or loss	*6*	**(1,762,873)**	(1,699,729)
Share of profits and losses of associates		**(6,688,586)**	(4,398,499)
Share of profits and losses of joint ventures		**(2,869,750)**	(966,290)
Gain on disposal of joint ventures	*6*	**(311,177)**	(468,590)
Gain on disposal of assets classified as held for sale	*6*	**(733,412)**	–
Equity-settled share-based payments	*10*	**271,677**	253,790
Subtotal carried forward		**12,632,007**	16,356,230

	2023 RMB'000	2022 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES *(continued)*		
CASH INFLOW BEFORE WORKING CAPITAL CHANGES	**12,632,007**	16,356,230
Decrease in properties under development	**11,409,692**	2,791,602
Increase in completed properties held for sale	**(2,400,093)**	(261,851)
Decrease/(increase) in trade and notes receivables	**284,904**	(2,288,389)
Decrease in prepayments, other receivables and other assets	**1,169,637**	991,427
Decrease/(increase) in inventories	**2,486,062**	(4,947,679)
(Increase)/decrease in reinsurance contract asset	**(360,893)**	500,509
Increase in reverse repurchase agreements	**(6,844,927)**	–
Increase in amounts due from related companies and the holding company	**(3,701,551)**	(3,217,582)
(Increase)/decrease in loans and advances to customers	**(50,892)**	600,280
Increase in trade and notes payables	**499,582**	2,353,615
Decrease in accrued liabilities and other payables	**(962,733)**	(2,788,026)
Increase/(decrease) in assets sold under agreements to repurchase	**43,915**	(1,223,507)
Increase in deferred income	**61,497**	279,843
Decrease in amounts due to related companies and the holding company	**(675,137)**	(293,029)
Increase/(decrease) in accounts payable to brokerage clients	**987,025**	(417,732)
(Decrease)/increase in placements with and loans to banks and other financial institutions	**(418,044)**	370,473
(Decrease)/increase in placements from banks and other financial institutions	**(149,062)**	26,327
Increase/(decrease) in amounts due to banks and other financial institutions	**509,742**	(3,527,702)
Increase in deposits from customers	**5,280,145**	5,084,550
Decrease/(increase) in restricted pre-sale proceeds of properties	**2,552,419**	(1,544,651)
Decrease/(increase) in required reserve deposits	**238,879**	(227,202)
Increase in restricted cash	**(602,699)**	–
Changes in derivative financial instruments	**275,216**	(1,003,468)
Decrease in finance lease receivables	**40,476**	36,034
Decrease in investment contract liabilities	**(3,182,599)**	(6,529,030)
(Decrease)/increase in insurance contract liability	**(1,033,148)**	4,514,845
Decrease/(increase) in contract assets and other assets	**381,002**	(574,143)
(Decrease)/increase in contract liabilities	**(4,593,473)**	3,124,058
CASH GENERATED FROM OPERATIONS	**13,876,949**	8,185,802
Tax paid	**(4,052,490)**	(6,422,088)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	**9,824,459**	1,763,714

	Notes	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		**(8,800,006)**	(6,652,726)
Proceed from disposal/(prepayment for addition) right-of-use assets		**256,529**	(121,887)
Increase of investment properties		**(932,420)**	(2,383,755)
Purchase of intangible assets		**(3,641,363)**	(4,208,253)
Purchase of exploration and evaluation assets		**(80,310)**	(129,709)
Purchase of oil and gas assets		**(650,804)**	(432,941)
Purchase of financial assets at fair value through profit or loss		**(135,211,680)**	(125,070,186)
Purchase of equity investments designated at fair value through other comprehensive income		**–**	(6,930)
Purchase of debt investments at fair value through other comprehensive income		**(20,394,192)**	(13,795,361)
Purchase of debt investments at amortised cost		**(8,474,553)**	(7,062,498)
Increase in deposits included in prepayments, other receivables and other assets		**(187,802)**	(43,865)
Proceeds from disposal of financial assets at fair value through profit or loss		**144,177,986**	135,457,071
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**118,937**	70,961
Proceeds from disposal of debt investments at fair value through other comprehensive income		**14,633,110**	16,198,339
Proceeds from maturity of debt investments at amortised cost		**6,131,368**	7,187,593
Proceeds from disposal of items of property, plant and equipment		**1,533,421**	1,456,729
Proceeds from disposal of intangible assets		**1,189,638**	377,507
Disposal of subsidiaries	*56(b)*	**9,968,592**	4,255,885
Proceeds from disposal of associates and disposal of partial interests in associates		**2,979,201**	13,496,306
Proceeds from disposal of joint ventures		**490,216**	552,099
Proceeds from disposal of assets of a disposal group classified as held for sale		**7,849,377**	529,057
Acquisition of subsidiaries	*56(a)*	**204,657**	(305,016)
Acquisition of associates		**(874,017)**	(854,133)
Acquisition of joint ventures		**(283,405)**	(185,110)
Dividends and interest received from debt investments		**1,855,713**	2,323,699
Dividends and interest received from equity investments		**2,032,855**	1,734,796
Dividends received from associates		**1,163,852**	1,555,568
Dividends received from joint ventures		**500,163**	3,075,344
Subtotal carried forward		**15,555,063**	27,018,584

	Note	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES *(continued)*			
Subtotal carried forward		**15,555,063**	27,018,584
Increase in pledged bank balances and time deposits with original maturity of more than three months		**(284,210)**	(2,698,535)
Prepayments for proposed acquisitions of long-term assets		**(358,588)**	(778,211)
Proceeds received from disposal of investment properties		**1,773,667**	2,111,628
Deposits advanced received from disposal of equity investments		**–**	9,029,000
Interest received		**901,107**	892,595
Net CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		**17,587,039**	35,575,061
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling shareholders of subsidiaries		**869,711**	5,756,881
New bank and other borrowings		**125,722,969**	103,564,175
Principal portion of lease payments		**(3,798,481)**	(2,734,351)
Repayment of bank and other borrowings		**(140,067,724)**	(128,696,614)
Increased in restricted cash		**(6,189,522)**	–
Distribution paid to non-controlling shareholders of subsidiaries		**(2,798,122)**	(2,750,513)
Acquisition of additional interests in subsidiaries		**(757,169)**	(1,873,536)
Disposal of partial interests in subsidiaries without losing control		**371,663**	4,032,131
Dividends paid to holding company		**(35,836)**	(3,514,093)
Repurchase of shares		**(180,429)**	(543,935)
Interest paid		**(12,808,936)**	(12,207,034)
Purchase of financial liabilities at fair value through profit or loss		**5,441**	843,819
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(39,666,435)**	(38,123,070)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(12,254,937)**	(784,295)
Cash and cash equivalents at beginning of year		**85,473,432**	86,257,727
CASH AND CASH EQUIVALENTS AT END OF YEAR	*15*	**73,218,495**	85,473,432

1. CORPORATE AND GROUP INFORMATION

Fosun International Limited (the "Company") was incorporated as a company with limited liability in Hong Kong on 24 December 2004 under the Hong Kong Companies Ordinance.

The registered office of the Company is located at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong.

The principal businesses of the Company and its subsidiaries (collectively referred to as the "Group") include Health, Happiness, Wealth and Intelligent Manufacturing. The Wealth Segment includes two major sub-segments: Insurance and Asset Management.

The holding company and the ultimate holding company of the Company are Fosun Holdings Limited and Fosun International Holdings Ltd., which are incorporated in Hong Kong and the British Virgin Islands, respectively. The ultimate controlling shareholder is Mr. Guo Guangchang.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 16 July 2007.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain financial assets and liabilities (including derivative instruments) which have been measured at fair value, and insurance contract liabilities, which have been measured primarily based on actuarial methods. Assets of a disposal group classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023. A subsidiary is an entity (collectively referred to as the "Group"), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements and the Group has changed in presentation of all assets and liabilities to being in order of liquidity.

Adoption of the revised HKFRSs

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) HKFRS 17 – *Insurance Contracts*

HKFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. HKFRS 17 replaces HKFRS 4 Insurance Contracts. The standard applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply. The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. HKFRS 17 is the general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach); and
- a simplified approach (the premium allocation approach ("PAA")) mainly for short-duration contracts.

HKFRS 17 replaces HKFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Adoption of the revised HKFRSs *(Continued)*

(a) HKFRS 17 – *Insurance Contracts* *(Continued)*

The Group has restated comparative information for 2022 applying the transitional provisions in Appendix C to HKFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

CHANGES TO CLASSIFICATION, MEASUREMENT

HKFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of HKFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;

- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards;

- Divides the insurance and reinsurance contracts into groups it will recognise and measure;

- Unless the premium allocation approach is used for liability for remaining coverage, recognises and measures groups of insurance contracts at:

  i) A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus

  ii) An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);

- The premium allocation approach is used to recognise and measure the liabilities for remaining coverage mainly for groups of short duration contracts.

- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately;

The Group's classification and measurement of insurance and reinsurance contracts is explained in Note 2.4 MATERIAL ACCOUNTING POLICIES.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Adoption of the revised HKFRSs *(Continued)*

(a) HKFRS 17 – *Insurance Contracts* *(Continued)*

CHANGES TO PRESENTATION AND DISCLOSURE

For presentation in the statement of financial position, the Group aggregates by each portfolio of insurance contracts issued (including reinsurance contracts issued) and reinsurance contracts held and presents separately:

- Portfolios of insurance contracts issued (including reinsurance contracts issued) that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts issued (including reinsurance contracts issued) issued that are liabilities;
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the HKFRS 17 requirements.

Besides, HKFRS 17 requires separate presentation in the statement of profit or loss and other comprehensive income of the following line items:

- Insurance revenue;
- Insurance service expense;
- Net service expense from reinsurance contracts held;
- Financial expenses from insurance contracts issued;
- Financial income from reinsurance contracts held.

The Group provides qualitative and quantitative information in the notes to the financial statements about:

- Amounts recognised in its financial statements from insurance contracts;
- Significant judgements, and changes in those judgements, when applying the standard.

TRANSITION

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if HKFRS 17 had always applied (unless impracticable);
- Derecognised any existing balances that would not exist had HKFRS 17 always applied;
- Recognised any resulting net difference in equity.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Adoption of the revised HKFRSs *(Continued)*

(a) HKFRS 17 – *Insurance Contracts* *(Continued)*

TRANSITION *(Continued)*

The Group chose to apply the full retrospective method in situations where it is possible to recover all the necessary historical information. For the other contracts, considering the impracticality of recovering historical information, the fair value was applied. To indicate the effect of applying the fair value approach on the CSM, insurance revenue and insurance finance income or expenses, the Group has provided additional disclosures in notes 2.4, 6, 7 and 27.

As a result of the adoption of HKFRS 17, the Group ceased to apply the overlay approach for designated eligible financial assets in accordance with Amendments to HKFRS 4.

At the date of initial application of HKFRS 17 (i.e., 1 January 2023), the Group designated some of its equity investments as equity investments designated at fair value through other comprehensive income when they are investments in equity instruments as defined by HKAS 32 *Financial Instruments: Presentation* and are not held for trading. According to the transitional provisions, the Group applied such changes retrospectively and restated the comparative information for the effect of such changes.

The opening balances as at 1 January 2022, comparative financial position as at 31 December 2022 and comparative information for the year ended 31 December 2022 have been restated for the effects of the retrospective application of HKFRS 17 in the consolidated financial statements.

Impact on consolidated statement of financial position:

	Decrease	
	As at 31 December 2022	As at 1 January 2022
	%	%
Total equity	**0.3**	1.7

(b) Amendments to HKAS 1 and HKFRS Practice Statement 2 – *Disclosure of Accounting Policies*

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(c) Amendments to HKAS 8 – *Definition of Accounting Estimates*

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Adoption of the revised HKFRSs *(Continued)*

(d) Amendments to HKAS 12 – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in note 34 to the financial statements. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

(e) Amendments to HKAS 12 – *International Tax Reform – Pillar Two Model Rules*

Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments and the mandatory temporary exception retrospectively. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation will be effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the new tax legislation. However, the legislations in certain jurisdictions were enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential impact to Pillar Two income taxes.

Change in presentation following adoption of HKFRS 17

With the implementation of HKFRS 17, the important insurance subsidiaries of the Group (e.g., Fidelidade – Companhia de Seguros, S.A. and Peak Reinsurance Holdings Limited), after analysing the industrial practices and their own business patterns, find it more reliable, relevant and comparable to present all assets and liabilities in order of liquidity under the HKFRS 17 reporting frameworks. Considering the consistency of financial reporting between the subsidiaries and the Group, and importance of the insurance business to the whole group, the Group changed the presentation of all assets and liabilities to being in order of liquidity for the first time for the current year's financial statements, together with the implementation of HKFRS 17.

HKAS 1 Presentation of Financial Statements illustrates that an entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement financial position except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity. For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.

The comparative consolidated statement of financial position as at 1 January 2022 and 31 December 2022 has been restated for the effects of the retrospective application of the change in the presentation of all assets and liabilities to being in order of liquidity in the consolidated financial statements. The Group also discloses (in Note 65) more information about liquidity for each asset and liability line item.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-Current* (the "2020 Amendments")[1,4]
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")[1,4]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangement*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024

2 Effective for annual periods beginning on or after 1 January 2025

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets *(Continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings	2 to 50 years
Plant and machinery	3 to 20 years
Office equipment	2 to 30 years
Motor vehicles	2 to 10 years
Leasehold improvements	The shorter of the lease terms and their useful lives
Freehold land	Not depreciated

Depreciation of mining infrastructure included in property, plant and equipment is calculated using the units of production basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Intangible assets (other than goodwill) *(Continued)*

TRADEMARKS

Trademarks with finite useful lives are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives of not exceeding 30 years. Trademarks with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of trademarks are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

MEDICINE LICENCES, TECHNICAL KNOW-HOW AND OPERATING CONCESSION RIGHTS

Medicine licences and technical know-how with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Medicine licences, technical know-how and operating concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of medicine licences, technical know-how and operating concession rights are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

PATENTS

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives not exceeding 20 years.

BUSINESS NETWORK

Business network is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of not exceeding 15 years.

RESEARCH AND DEVELOPMENT COSTS

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

CUSTOMER RELATIONSHIP

Customer relationship is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of not exceeding 15 years.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Exploration and evaluation assets

FOR MINING RIGHTS

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing ore bodies and to expand the capacity of a mine. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred. When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to mining rights and are amortised on the units of production ("UOP") method based on the proven and probable mineral reserves. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

FOR OIL AND GAS ASSETS

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. An area of interest refers to an individual geological area which is considered to constitute a favourable environment for the presence of an oil or gas field, usually represented by an individual oil or gas field.

The successful efforts method requires all exploration and evaluation expenditure in relation to an area of interest to be expensed in the period it is incurred, except the costs of successful wells, the costs of acquiring interests in new exploration assets and pre-development costs where the rights to the tenure of the area of interest are current and the expenditure either:

– is expected to be recovered through sale or successful development and exploitation of the area of interest; or

– relates to an exploration discovery for which at balance date a reasonable assessment of the existence or otherwise of economically recoverable reserves is not yet completed, or additional appraisal work is underway or planned.

Pending assessment of the results of a well, the costs are initially capitalised then expensed or remain capitalised, depending on a review of the results in accordance with successful efforts accounting criteria. When an oil or gas field has been approved for development, the accumulated exploration and evaluation costs are transferred to oil and gas assets.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proven and probable reserves of the mines using the UOP method. Mining rights are written off to the consolidated statement of profit or loss if the mining property is abandoned.

Oil and gas assets

Development expenditure is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Costs are amortised only once production begins. Changes in factors such as estimates of proved and probable reserves that affect UOP calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(A) RIGHT-OF-USE ASSETS

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 to 50 years
Buildings	1 to 48 years
Machinery	1 to 10 years
Furniture, fixtures and other equipment	1 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

(B) LEASE LIABILITIES

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in accrued liabilities and other payables and other long term payables.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

GROUP AS A LESSEE *(Continued)*

(C) SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of vehicles, furniture, laptop computers and telephones that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

GROUP AS A LESSOR

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

INITIAL RECOGNITION AND MEASUREMENT *(Continued)*

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (DEBT INVESTMENTS)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (EQUITY INVESTMENTS)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

ASSETS HELD UNDER REVERSE REPURCHASE AGREEMENTS

The amounts advanced under these agreements are recognised and presented as "financial assets held under reverse repurchase agreements". The Group may not take physical possession of assets purchased under such agreements. The difference between the purchasing price and reselling price is recognised as interest income over the term of the agreement using the effective interest method.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

SUBSEQUENT MEASUREMENT *(Continued)*

The subsequent measurement of financial assets depends on their classification as follows: *(Continued)*

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

GENERAL APPROACH

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

SIMPLIFIED APPROACH

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, accrued liabilities and other payables, due to the holding company, due to related companies, other long term payables, interest-bearing bank and other borrowings, financial liabilities at fair value through profit or loss, derivative financial instruments, due to banks and other financial institutions, deposits from customers, accounts payable to brokerage clients, placements from banks and other financial institutions and assets sold under agreements to repurchase.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial liabilities depends on their classification as follows:

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

FINANCIAL LIABILITIES AT AMORTISED COST (TRADE AND OTHER PAYABLES, AND BORROWINGS

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

SUBSEQUENT MEASUREMENT *(Continued)*

The subsequent measurement of financial liabilities depends on their classification as follows: *(Continued)*

ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

Assets sold under repurchase agreements continue to be recognised but a liability is recognised and presented as "assets sold under agreements to repurchase" for the proceeds from selling such assets. The Group may be required to provide additional collateral based on the fair value of the underlying assets and such non-cash collateral assets continue to be recognised on the balance sheet. The difference between the selling price and repurchasing price is recognised as interest expense over the term of the agreement using the effective interest method.

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derivative financial instruments and hedge accounting

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

As HKFRS 9 includes an accounting policy choice to remain with hedge accounting under HKAS 39. The Group elected to continue to apply hedge accounting in accordance with HKAS 39.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

FAIR VALUE HEDGES

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expenses or other income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the consolidated statement of profit or loss as other expenses or other income.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the consolidated statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derivative financial instruments and hedge accounting *(Continued)*

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT *(Continued)*

FAIR VALUE HEDGES (Continued)

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the consolidated statement of profit or loss.

CASH FLOW HEDGES

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts recognised in other comprehensive income are transferred to the statement of profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

HEDGES OF A NET INVESTMENT

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Properties under development

Properties under development are stated at cost which includes all development expenditures, including land costs, construction costs, borrowing costs and other costs directly attributable to such properties during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle.

Properties under development are valued at the lower of cost and net realisable value at the end of each reporting period and any excess of cost over the net realisable value of an individual item of properties under development is accounted for as a provision. Net realisable value is based on estimated selling prices in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

Completed properties for sale

Completed properties for sale are recognised in the consolidated statement of financial position at the lower of cost and net realisable value. Net realisable value is estimated by the directors based on the prevailing market conditions. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Any excess of cost over the net realisable value of an individual item of completed properties for sale is accounted for as a provision.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liabilities arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(A) SALE OF GOODS

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(B) SALES OF PROPERTIES

Revenues are recognised when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides benefits which are received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each reporting period as a percentage of total estimated costs for each contract.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

(B) SALES OF PROPERTIES (Continued)

For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

(C) RENDERING SERVICES

The revenue is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

REVENUE FROM OTHER SOURCES

(A) INSURANCE REVENUE

The Group recognizes insurance revenue as it provides insurance contract services under groups of insurance contracts. The Group's classification and measurement of insurance contracts is explained in Note 2.4 MATERIAL ACCOUNTING POLICIES – Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held.

(B) INTEREST INCOME

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(C) DIVIDEND INCOME

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(D) RENTAL INCOME

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company and certain subsidiaries of the Group operate share incentive schemes and a share option scheme. Employees (including directors) receive remuneration in the form of share-based payments, whereby employees (including directors) render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the binomial option pricing model, further details of which are given in note 58 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense and capitalised employee benefit expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments *(Continued)*

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The Group provides the post-employment benefits mainly as follows: (i) defined contribution pension schemes for all employees of the companies in Chinese Mainland; (ii) employee benefits to qualified former employees ("Qualified SOE Employees") and qualified retirees ("Qualified Retirees") of former state-owned enterprises in Chinese Mainland; (iii) a pension scheme for all eligible employees of the companies in Hong Kong; (iv) accommodation benefits for all eligible employees of the companies in Chinese Mainland, details of which are set out below; (v) employee benefits to all eligible employees of the subsidiaries in Portugal; and (vi) employee benefits to all eligible employees of the subsidiary in France.

(I) DEFINED CONTRIBUTION PENSION SCHEMES

The full-time employees of the companies in Chinese Mainland, other than Qualified SOE Employees and Qualified Retirees of former state-owned enterprises ("Former SOEs") as set out below, are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made. Contributions to these schemes are expensed as incurred.

(II) OTHER EMPLOYEE BENEFITS TO QUALIFIED SOE EMPLOYEES AND QUALIFIED RETIREES

The Group took over Qualified SOE Employees and Qualified Retirees from the Former SOEs upon the Group's acquisition of the Former SOEs in Chinese Mainland. A liability in respect of the retirement benefits of Qualified SOE Employees and Qualified Retirees was taken over by the Group from the former parent company of the Former SOEs upon taking up Qualified SOE Employees and Qualified Retirees. All the following retirement benefits are covered by the abovementioned liability taken over and the details of the retirement benefits are as follows:

QUALIFIED SOE EMPLOYEES

The Qualified SOE Employees consist of two different categories of employees:

(a) Qualified SOE Employees being made redundant by the Former SOEs before their statutory retirement age prior to the Group's acquisition of the Former SOEs

The Former SOEs paid basic salary and social benefit funds on a monthly basis to these Qualified SOE Employees until they reach their statutory retirement age as stipulated by the State Regulations. The Group is required to continue paying such monthly payments to these redundant Qualified SOE Employees until they reach their statutory retirement age as stipulated by the State Regulations.

(b) Qualified SOE Employees not being made redundant by the Former SOEs before their statutory retirement age prior to the Group's acquisition of the Former SOEs and entering into new employment contracts with the Group upon acquisition of the Former SOEs by the Group

The Former SOEs implemented early retirement plans for these Qualified SOE employees. The benefits of the early retirement plans of the Qualified SOE Employees were calculated based on factors including the number of years of qualified service with the Former SOEs, salary amount and other agreed terms for Qualified SOE Employees upon the Group's acquisition of the Former SOEs. The Group is required to pay these Qualified SOE Employees a redundancy payment if they opt for early retirement or are made redundant by the Group before their statutory retirement age as stipulated by the State Regulations. These Qualified SOE Employees are not entitled to early retirement benefits upon reaching their statutory retirement age.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits *(Continued)*

(II) OTHER EMPLOYEE BENEFITS TO QUALIFIED SOE EMPLOYEES AND QUALIFIED RETIREES *(Continued)*

QUALIFIED RETIREES

The Former SOEs also provided post-retirement benefits to their employees who were not covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. Upon being acquired by the Group, the Former SOEs had certain Qualified Retirees to whom the Former SOEs had an obligation to pay a fixed amount on a monthly basis until their death, where the Group is required to continue paying such monthly payments to these Qualified Retirees. The post-retirement benefits of Qualified Retirees were calculated based on the monthly pension multiplied by an estimated life expectancy of Qualified Retirees.

The Group recognises the liability taken over as a non-current liability at initial recognition, and subsequent payments of the retirement benefits to Qualified SOE Employees and Qualified Retirees are debited against the non-current liability. Payments are made by the Group to Qualified SOE Employees and Qualified Retirees, but the use of the fund is monitored and supervised jointly by the former parent company of the Former SOEs and the union. Except for the payment of the retirement benefits of the Qualified SOE Employees and the Qualified Retirees, the fund cannot be used for any other purpose including the transfer to the Group's consolidated statement of profit or loss or reserve without the joint approval from the former parent company of the Former SOEs, the union and the Municipal Labour & Social Security Bureau. The most recent actuarial valuation of the present value of the Qualified Retirees was carried out on December 31, 2023 by Towers Watson Consulting (Shenzhen) Co., Ltd., a fellow member of the Institute of Actuaries of China and is fully qualified under the Chinese laws and regulations, using projected unit credit method. The key actuarial assumptions adopted in the actuary report are discount rate, mortality rate, annual increase rate of the basic salary, annual increase rate of social insurance and housing fund company contributions and percentage of eligible actives that will actually be internal retirees. The Group has no plan assets for Qualified Retirees. As such, there does not exist any significant surplus or deficiency as shown by the market value of the plan assets, the contribution level expressed in percentage on the day of assessment or valuation.

(III) PENSION SCHEME FOR ALL ELIGIBLE EMPLOYEES OF THE COMPANIES IN HONG KONG

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all employees of the companies in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(IV) ACCOMMODATION BENEFITS FOR ALL ELIGIBLE EMPLOYEES OF THE COMPANIES IN CHINESE MAINLAND

According to the relevant People's Republic of China ("PRC") rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administrated by a government agency are charged to the consolidated statement of profit or loss as and when they are incurred.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits *(Continued)*

(V) EMPLOYEE BENEFITS TO ALL ELIGIBLE EMPLOYEES OF THE SUBSIDIARIES IN PORTUGAL

As per the collective labour agreement in force at the time for the insurance activity, the companies in Portugal undertook the commitment to make cash payments to complement the retirement pensions paid by the social security services to the employees hired prior to 22 June 1995, the date when the labour agreement became effective. These payments corresponded to a percentage, which grew with the number of years of employment, applied to the table of salaries in force at the date of retirement.

Following the new labour agreement for the insurance activity, signed at 23 December 2011, the previous defined benefit pension plan was replaced, regarding workers actively employed, effective 1 January 2012, with a plan of defined contributions, with the current value of liabilities for services rendered at 31 December 2011 being transferred to the individual account of each participant. This change has not been applied to pensions due to workers who were retired or pre-retired at 31 December 2011, or to employees who did not sign up to the current collective employment agreement.

In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005.

Contributions by the companies in Portugal to the defined contribution plan are made in accordance with the rules set forth in the collective labour agreement, and recorded as an expense in the period they are due as a charge to administrative expenses.

(VI) EMPLOYEE BENEFITS TO ALL ELIGIBLE EMPLOYEES OF THE SUBSIDIARY IN FRANCE

All eligible employees of the subsidiary in France receive certain short-term benefits, such as vacation pay, "13th month" bonuses, sick leave, health insurance, and unemployment insurance in France.

The post-employment benefit plans of the subsidiary in France are based on legal obligations in each host country and on its subsidiaries' compensation policies. Long-term benefit plans include both defined contribution and defined benefit plans.

(A) DEFINED CONTRIBUTION PLANS

Under defined contribution plans, the subsidiary in France pays contributions to an external fund that is responsible for paying the benefits. The payment of contributions releases the employer of its further obligation towards his employees. The main defined contribution plans consist of government-sponsored basic and supplementary pension plans in Europe and defined-contribution pension plans in North America.

Contributions to all of these plans are recognised as an expense for the period in which they are due.

(B) DEFINED BENEFIT PLANS

Under defined benefit plans, the subsidiary in France has an obligation to pay benefits to employees either at the end of their employment or during their retirement. The defined benefit plans of the subsidiary in France are unfunded and are covered by provisions recorded in the financial statements.

The main defined benefit plans of the subsidiary in France concern indemnities payable to employees on retirement (France, Greece and Turkey) or when they leave the subsidiary in France (Italy and Japan). The most recent actuarial valuations of the present value of the mainly defined benefit plans were carried out as at December 31, 2023 by Willis Towers-Watson, a member of the Actuarial Society of France, using projected unit credit method. The key actuarial assumptions adopted in the actuary report are discount rate and expected rate of salary increase. The Group has no plan assets for the defined benefit plans of the subsidiary in France. As such, there does not exist any significant surplus or deficiency as shown by the market value of the plan assets, the contribution level expressed in percentage on the day of assessment or valuation.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The functional currencies of the Company and PRC subsidiaries are Hong Kong dollars ("HKD") and RMB, respectively. The financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and its subsidiaries incorporated outside Chinese Mainland are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates for the year.

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held

(A) CLASSIFICATION OF CONTRACTS

Contracts under which the Group transfers significant insurance risk are classified as insurance contracts, while those contracts issued which have the legal form of insurance contracts but do not transfer significant insurance risk are classified as financial liabilities and are referred to as investment contracts. Some insurance and investment contracts have DPF, which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed benefits, such as policyholder dividends or bonuses. The Group applies the same accounting policies for the recognition and measurement of obligations arising from investment contracts with DPF as it does for insurance contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Group to pay significant additional benefits to its customers and has a possibility of incurring a loss on a present value basis, the contract is considered as transferring significant insurance risk and is accounted for as an insurance contract issued. Reinsurance contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts held. Insurance contracts issued and reinsurance contracts held can also expose the Group to financial risk. For investment contracts that do not contain DPF, HKRS 9 Financial Instruments is applied. Once a contract has been classified as an insurance, reinsurance or investment contract with DPF, reclassification is not subsequently performed unless the terms of the agreement are later amended.

(B) SEPARATING COMPONENTS FROM INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

The Group assesses its insurance contracts issued and reinsurance contracts held to determine whether they contain components which must be accounted for under another HKFRS rather than HKFRS 17 (distinct non insurance components). After separating any distinct components, an entity must apply HKFRS 17 to all remaining components of the insurance contract.

At inception, the Group separates the following components from an insurance contract issued or a reinsurance contract held and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance contract as a stand-alone instrument; and

- distinct investment components (unless the component is an investment contract with DPF) – i.e. investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(B) SEPARATING COMPONENTS FROM INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD *(Continued)*

After separating any financial instrument components, the Group separates any promises to transfer distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

(C) LEVEL OF AGGREGATION

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group divides portfolios of insurance contracts into groups of insurance contracts and applies the recognition and measurement requirements to the groups of insurance contracts. Insurance contracts issued more than one year apart are not included in the same group. The Group determines the group to which contracts belong by considering individual contracts. If the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same group, the Group may measure the set of contracts to determine the group.

The Group divides a portfolio of insurance contracts issued into a minimum of:

- A group of contracts that are onerous at initial recognition;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- A group of the remaining contracts in the portfolio.

The Group divides a portfolio of reinsurance contracts held into a minimum of:

- A group of contracts on which there is a net gain on initial recognition;
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition;
- A group of the remaining contracts in the portfolio.

(D) RECOGNITION

The Group recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date;
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group recognizes a group of reinsurance contracts held from the earlier of the following:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date the Group recognizes an onerous group of underlying insurance contracts.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(D) RECOGNITION *(Continued)*

If a group of reinsurance contracts held provide proportionate coverage, the Group recognizes such group of reinsurance contracts held from the earlier of the following:

- the later date of the beginning of the coverage period of the group of reinsurance contracts held and the date that any underlying insurance contract is initially recognised; and
- the date the Group recognizes an onerous group of underlying insurance contracts.

(E) FULFILMENT CASH FLOWS

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows; and
- a risk adjustment for non-financial risk.

(F) CONTRACT BOUNDARY

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the insurer (reinsurer) can compel the policyholder (cedant) to pay premiums or has a substantive obligation to provide insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the insurer (reinsurer) has the practical ability to reassess the risks of the particular policyholder (cedant) and can set a price or level of benefits that fully reflects those reassessed risks; or
- the insurer (reinsurer) has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

(G) INSURANCE ACQUISITION CASH FLOWS

The Group recognizes an asset for insurance acquisition cash flows paid or payable before the related group of insurance contracts is recognised. The Group allocates insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group derecognizes an asset for insurance acquisition cash flows when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts. At the end of each reporting period, the Group assesses the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. If the Group identifies an impairment loss, the Group adjusts the carrying amount of the asset and recognizes the impairment loss in profit or loss. The Group recognizes in profit or loss a reversal of some or all of an impairment loss previously recognised and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) MEASUREMENT – INSURANCE CONTRACTS NOT MEASURED UNDER THE PAA

INITIAL MEASUREMENT

On initial recognition, the Group measures a group of contracts as the total of: (a) the fulfilment cash flows and (b) the CSM.

The measurement of the fulfilment cash flows of a group of contracts does not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflows, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

SUBSEQUENT MEASUREMENT

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

- Changes relating to future services are adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous);
- Changes relating to current or past services are recognised in the insurance service result in profit or loss; and
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses, except that such effects on the variable fees are adjusted against CSM (or recognised in profit or loss if the group is onerous) for insurance contracts with direct participation features.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) MEASUREMENT – INSURANCE CONTRACTS NOT MEASURED UNDER THE PAA *(Continued)*

SUBSEQUENT MEASUREMENT (Continued)

The CSM of each group of contracts is calculated at each reporting date as follows.

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - i) any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
  - ii) any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue for service provided in the period, which is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.
- For a group of contracts that is onerous at the start of a reporting period and becomes profitable subsequently that CSM is recognised during the reporting period, the total amount of recognised CSM is released to profit or loss if there are no more future coverage units.

Changes in fulfilment cash flows that relate to future services mainly comprise:

- experience adjustments arising from premiums received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the period, determined as the payment expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the period;

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) MEASUREMENT – INSURANCE CONTRACTS NOT MEASURED UNDER THE PAA *(Continued)*

SUBSEQUENT MEASUREMENT (Continued)

Insurance contracts without direct participation features *(Continued)*

- differences between (a) any loan to a policyholder expected to become repayable in the period, determined as the repayment expected at the start of the period plus any insurance finance income or expenses related to that expected repayment before it becomes repayable; and (b) the actual amount that becomes repayable in the period; and

- changes in the risk adjustment for non-financial risk that relate to future services.

To determine how to identify a change in discretionary cash flows, the basis is specified at inception of the contract. Changes in cash flows arising from the Group's discretion are regarded as relating to future services and accordingly adjust the CSM, these cash flows are determined based on the relevant contract terms, dividend and bonus philosophy.

Insurance contracts with direct participation features

Contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and

- a variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Group provides investment services under these contracts, in addition to insurance coverage.

When measuring a group of contracts with direct participation features, the Group adjusts the fulfilment cash flows for the changes in the obligation to pay policyholders. The changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items do not relate to future services and do not adjust the CSM.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

a) the effect of contracts added to the group in the period on the contractual service margin;

b) the change in the amount of the Group's share of the fair value of the underlying items, except to the extent that:

    i) if the Group mitigates the effect of financial risk using derivatives or reinsurance contracts held, when specified conditions are met, the Group may choose to recognise the related changes in the effect of the time value of money and financial risk on the amount of the Group's share of the underlying items as insurance finance income or expenses included in profit or loss. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

    ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss;

    iii) the increase in the amount of the Group's share of the fair value of the underlying items reverses the loss component of the liability for remaining coverage.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) MEASUREMENT – INSURANCE CONTRACTS NOT MEASURED UNDER THE PAA *(Continued)*

SUBSEQUENT MEASUREMENT (Continued)

Insurance contracts with direct participation features *(Continued)*

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for: *(Continued)*

c) the changes in fulfilment cash flows relating to future service and do not vary based on the returns on underlying items, except to the extent that:

   i) if the Group mitigates the effect of financial risk using derivatives, reinsurance contracts held or non-derivative financial instruments measured at fair value through profit or loss, when specified conditions are met, the Group may choose to recognise the related changes in the effect of the time value of money and financial risk on the fulfilment cash flows as insurance finance income or expenses included in profit or loss. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

   ii) such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss;

   iii) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

d) the currency exchange differences in the period arising on the contractual service margin;

e) the amortisation of the contractual service margin in the period. The Group rationally determines the coverage units of the group of contracts in each period of the coverage period based on the pattern of provision of insurance contract services, and recognises insurance revenue accordingly over the current and future periods by amortizing the carrying amount of the contractual service margin as adjusted for (a) to (d) above.

For insurance contracts with direct participation features for which the Group holds the underlying items, when the Group makes the accounting policy choice of disaggregating insurance finance income or expenses for the period between profit or loss and other comprehensive income, the Group recognises insurance finance income or expenses included in profit or loss at an amount that exactly match the income or expenses included in profit or loss for the underlying items, except for the accounting treatment of the insurance finance income or expenses mentioned in (b) and (c) above.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(I) MEASUREMENT – INSURANCE CONTRACTS MEASURED UNDER THE PAA

The Group generally uses the PAA to simplify the measurement of groups of contracts in the following circumstances:

- where the coverage period of each contract in the group of contracts is one year or less; or
- the Group reasonably expects that the resulting measurement of the LRC would not differ materially from the result of applying the accounting policies of contracts not measured under the PAA.

INITIAL MEASUREMENT

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has elected the accounting policy choice to defer insurance acquisition cash flows through the LRC.

SUBSEQUENT MEASUREMENT

Subsequently, the carrying amount of the LRC is increased by (i) any premiums received; and (ii) any amortisation of the insurance acquisition cash flows, and decreased by (i) insurance acquisition cash flows paid; (ii) the amount recognised as insurance revenue for coverage provided; and (iii) any investment component paid or transferred to the LIC. On initial recognition of each group of contracts, the Group expects that the time gap between providing each part of the coverage and the related premium due date is not significant. Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates). In subsequent periods, unless facts and circumstances indicate that the group of contracts is no longer onerous, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component.

The Group recognises the LIC of a group of insurance contracts for the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows are discounted (at current rates) to reflect the time value of money and the effect of financial risk.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(J) REINSURANCE CONTRACTS HELD

For groups of reinsurance contracts held, the Group applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) the amount arising from assets or liabilities previously recognised for cash flows related to the group, before the group is recognised, (c) cash flows arising from the contracts in the group at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the reinsurance, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(J) REINSURANCE CONTRACTS HELD *(Continued)*

REINSURANCE OF ONEROUS UNDERLYING INSURANCE CONTRACTS

The Group adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts held.

If the reinsurance contract held covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine a portion of losses recognised on the onerous group of contracts containing the insurance contracts covered by the reinsurance contract held.

A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premiums paid.

REINSURANCE CONTRACTS HELD MEASURED UNDER THE PAA

The Group applies the same accounting principles to measure a group of insurance contracts or reinsurance contracts held under the PAA.

If a loss-recovery component is established for a group of reinsurance contracts held measured under the PAA, the Group adjusts the carrying amount of the asset for remaining coverage of reinsurance contracts held.

(K) TRANSITION APPROACHES

CONTRACTS MEASURED UNDER THE FAIR VALUE APPROACH

For the groups of contracts that are measured under the fair value approach, the Group determined the CSM or loss component of the LRC at 1 January 2022 as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

The fair value of groups of contracts is primarily determined by using present value technique from the perspective of a market participant. To the extent possible, the Group maximised the use of relevant market data and information of relevant market transactions. For the unobservable inputs, the Group used the best information available in the circumstances, which might include the Group's own data.

For all contracts measured under the fair value approach, the Group used reasonable and supportable information available at 1 January 2022 to determine:

- how to identify groups of contracts;
- whether a contract meets the definition of a contract with or without direct participation features or investment contract with discretionary participation features; and
- how to identify discretionary cash flows for contracts without direct participation features.

For groups of contracts measured under the fair value approach,

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(K) TRANSITION APPROACHES *(Continued)*

CONTRACTS MEASURED UNDER THE FAIR VALUE APPROACH (Continued)

- the discount rates on initial recognition were determined at 1 January 2022 instead of at the date of initial recognition.

- the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January 2022 was determined to be zero for contracts without direct participation features and to be equal to the cumulative amount recognised in the other comprehensive income on the underlying items for contracts with direct participation features as applicable.

For groups of reinsurance contracts held covering onerous underlying contracts, the Group established a loss-recovery component at 1 January 2022. The Group determined the loss-recovery component by multiplying:

- the amount of the loss component that relates to the underlying contracts at 1 January 2022; and

- the percentage of claims on the underlying contracts that the Group expected to recover from the reinsurance contracts held.

(L) DERECOGNITION AND CONTRACT MODIFICATION

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On the derecognition of a contract in a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;

- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future service, except where such changes are allocated to a loss component; and

- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to third party, then the CSM is also adjusted for the premium charged by the third party.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(M) PRESENTATION

Portfolios of insurance contracts issued and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held. Any assets recognised for insurance acquisition cash flows arising before the recognition of the related group of insurance contracts are included in the carrying amount of the related portfolios of insurance contracts.

The Group disaggregates amounts recognised in the consolidated statements of profit or loss and comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as "net expenses from reinsurance contracts held" in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

INSURANCE REVENUE – INSURANCE CONTRACTS NOT MEASURED UNDER THE PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each period represents the total of the changes in the LRC that relate to services for which the Group expects to receive consideration, excludes investment components and mainly comprises the following items:

- A release of the CSM, measured based on coverage units provided;
- Changes in the risk adjustment for non-financial risk relating to current services;
- Insurance acquisition cash flows recovery;
- Claims and other insurance service expenses incurred in the period, generally measured at the amounts expected at the beginning of the period; and
- Other amounts, including experience adjustments for premium receipts for current or past services.

For insurance acquisition cash flows recovery, the Group allocates a portion of premiums related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts. The allocated amount is recognised as insurance revenue with the same amount recognised as insurance service expenses.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(M) PRESENTATION *(Continued)*

INSURANCE REVENUE – INSURANCE CONTRACTS MEASURED UNDER THE PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium (excluding any investment component, if any) for providing services in the period. The Group allocates the expected premium to each period on the following bases:

- the passage of time; or
- the expected timing of incurred insurance service expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

LOSS COMPONENTS

The Group establishes loss components of the LRC for onerous groups of contracts. The loss components determine the amounts that are presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from determination of insurance revenue.

For contracts not measured under the PAA, when the fulfilment cash flows occur, they are allocated between the loss component and the LRC excluding the loss component on a systematic basis. Changes in estimates of fulfilment cash flows relating to future services and changes in the Group's share of the fair value of underlying items are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates or reinstates the CSM for the group of contracts.

INSURANCE SERVICE EXPENSES

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and mainly comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows: for contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on the basis of passage of time over the coverage period of the group of contracts;
- Losses on onerous contracts and reversals of such losses; and
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(M) PRESENTATION *(Continued)*

NET EXPENSES FROM REINSURANCE CONTRACTS HELD

Net expenses from reinsurance contracts held mainly comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid as reinsurance expenses within net expenses from reinsurance contracts held for the coverage or other services received by the Group under groups of reinsurance contracts held. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

The amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts are considered as a reduction in the reinsurance premiums paid to the reinsurer.

For a group of reinsurance contracts held covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract held covering those contracts is entered into before or at the same time as those contracts are entered into; and
- for changes in fulfilment cash flows of the group of reinsurance contracts held relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

INSURANCE FINANCE INCOME OR EXPENSES

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance contracts and reinsurance contracts issued arising from the effects of the time value of money, financial risk and changes therein. This includes changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For certain portfolios, the Group has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

Amounts presented in other comprehensive income are accumulated in the insurance finance reserve. If the Group derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated other comprehensive income for the contract are reclassified to profit or loss.

The Group presents insurance finance income or expenses for all other contracts in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment contracts

Investment contracts do not contain sufficient insurance risk to be considered insurance contracts and are accounted for as a financial liability, other than investment contracts with DPF which are excluded from the scope of HKFRS 9 and are accounted for as insurance contracts.

(A) LIABILITIES TO SUBSCRIBERS OF UNIT-LINKED PRODUCTS

Liabilities, associated with unit-linked investment contracts issued by the Group in which the risk is borne by the policyholder, are recognised at fair value and assessed on the basis of the fair value of investment portfolio assets allocated to each of the products, less the corresponding management costs and recognised in "financial liabilities for unit-linked contracts".

Investment portfolios allocated to unit-linked products comprise financial assets, including fixed-income securities, variable income securities, derivative instruments and deposits in credit institutions, which are recognised at fair value and whose corresponding unrealised capital gains and losses are recognised in the consolidated statement of profit or loss for the year.

(B) LIABILITIES TO SUBSCRIBERS OF OTHER INVESTMENT CONTRACTS

Liabilities to subscribers of other regulated products, classified as investment contracts under HKFRS 17, which do not include a discretionary profit sharing component, are valued in accordance with the requirements of HKFRS 9 and recognised in "Investment contract liabilities".

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(I) PROPERTY LEASE CLASSIFICATION – GROUP AS LESSOR

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

(II) SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL OPTIONS

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

The Group includes the renewal period as part of the lease term for leases of property due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operations if a replacement is not readily available.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Judgements *(Continued)*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements: *(Continued)*

(III) CLASSIFICATION BETWEEN INVESTMENT PROPERTIES AND OWNER-OCCUPIED PROPERTIES

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(IV) CONSOLIDATION OF ENTITIES IN WHICH THE GROUP HOLDS LESS THAN A MAJORITY OF VOTING RIGHTS

The Group considers that it controls Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") even though it owns less than 50% of the voting rights. This is because the Group was the single largest shareholder of Fosun Pharma with a 36.1% equity interest as at 31 December 2023. The remaining 63.9% of the equity shares in Fosun Pharma are widely held by many other shareholders. The Group controls the board of directors of Fosun Pharma and holds relatively larger voting rights than other dispersed public shareholders. Since the date of Fosun Pharma's domestic shares being listed on the Shanghai Stock Exchange, there has been no history and no expectation that the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

The Group considers that it controls Hainan Mining Co., Ltd. ("Hainan Mining") even though it owns less than 50% of the voting rights. This is because the Group was the largest shareholder of Hainan Mining with a 45.8% equity interest as at 31 December 2023. The Group holds relatively larger voting rights than other shareholders. Since the date of Hainan Mining's domestic shares being listed on the Shanghai Stock Exchange, there has been no history and no expectation that the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Judgements *(Continued)*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements: *(Continued)*

(V) DEFERRED TAX LIABILITIES

Deferred tax liabilities are recognised for withholding corporate income taxes arising from the distributions of dividends from certain subsidiaries of the Group according to the relevant tax jurisdictions. Significant management judgement is required to determine whether to recognise such deferred tax liabilities based upon the plan of the dividend distribution from these subsidiaries in the foreseeable future. As at 31 December 2023, the management was of the opinion that it was not probable that those subsidiaries would make any profit distribution in the foreseeable future and accordingly no provision for the withholding tax has been made.

(VI) CLASSIFICATION OF FINANCIAL ASSETS

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial assets' contractual cash flow characteristics: (1) management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and (2) management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(I) IMPAIRMENT OF GOODWILL

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2023 was RMB29,547,898,000 (31 December 2022: RMB27,413,654,000). Further details are given in note 41 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(II) IMPAIRMENT OF NON-FINANCIAL ASSETS (OTHER THAN GOODWILL)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. For the year ended 31 December 2023, impairment losses in the amount of RMB1,133,407,000 (2022: RMB2,293,693,000) have been recognised as set out in note 10 to the financial statements.

(III) LEASES – ESTIMATING THE INCREMENTAL BORROWING RATE

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(IV) ESTIMATION OF FAIR VALUE OF INVESTMENT PROPERTIES

As described in note 33 to the financial statements, investment properties were revalued on 31 December 2023 on an open market value and existing use basis. Such valuations were based on certain assumptions which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(IV) ESTIMATION OF FAIR VALUE OF INVESTMENT PROPERTIES *(Continued)*

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2023 was RMB93,340,801,000 (31 December 2022: RMB95,743,357,000). Further details, including the key assumptions used for fair value measurement, are given in note 33 to the financial statements.

(V) FAIR VALUE OF FINANCIAL INSTRUMENTS DETERMINED USING VALUATION TECHNIQUES

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk, volatility and liquidity risks, etc, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 66 to the financial statements.

(VI) USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(VII) USEFUL LIVES OF INTANGIBLE ASSETS (OTHER THAN GOODWILL)

The Group determines the estimated useful lives for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(VIII) ESTIMATION OF REHABILITATION COST PROVISIONS

FOR MINING RIGHTS

Provisions for the Group's obligations for land rehabilitation are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditure expected to be required to settle the obligation.

Estimates used in the provision for rehabilitation cost are subjective in nature and involve uncertainties and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

FOR OIL AND GAS ASSETS

The Group estimates the future removal costs of on – and offshore oil and gas platforms, production facilities, wells and pipelines at the time of installation of the assets. In most instances, removal of assets will occur in future years. This requires judgemental assumptions regarding removal data, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating costs, future removal technologies in determining the removal costs, and asset-specific discount rates to determine the present value of these cash flows.

(IX) MEASUREMENT OF THE EXPECTED CREDIT LOSS ALLOWANCE

The Group assesses the impairment of financial assets at amortised cost and debt investments at fair value through other comprehensive income ("FVOCI") using the ECL model. The application of the ECL model requires significant estimation, and consideration of all reasonable and relevant information including forward-looking information. When making such estimation, the Group estimates the expected changes of the debtor's credit risk based on historical repayment data along with economic policies, macro-economic indicators, and industrial risk.

(X) DEFERRED TAX ASSETS

Deferred tax assets are recognised for deductible temporary differences, and the carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2023 was RMB4,272,177,000 (31 December 2022: RMB3,203,329,000). The amount of unrecognised tax losses and deductible temporary differences as at 31 December 2023 was RMB42,065,576,000(31 December 2022: RMB38,702,978,000). Further details are contained in note 42 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(XI) NET REALISABLE VALUE OF INVENTORIES, PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES FOR SALE

The net realisable value of inventories, properties under development and completed properties for sale is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at the end of each reporting period.

(XII) CONTINGENT CONSIDERATION FOR THE ACQUISITION OF SUBSIDIARIES

The Group estimated the fair value of contingent consideration for the acquisition of subsidiaries by using the expected cash flows, to be discounted to the acquisition date at an appropriately chosen discount rate. Significant management judgement is required to determine the expected cash flows and discount rate. Management reassesses these estimates at the end of each reporting period.

(XIII) LEVEL OF AGGREGATION AND RECOGNITION OF GROUP OF INSURANCE CONTRACTS

For contracts issued to which the Group does not apply the premium allocation approach, the judgements exercised in determining whether contracts are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

- based on the likelihood of changes in assumptions which, if they occurred, would result in the contracts becoming onerous; and

- using information about profitability estimation for the relevant group of products.

(XIV) MEASUREMENT OF FULFILMENT CASH FLOWS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH

The asset or liability for groups of insurance contracts is measured as the total of fulfilment cash flows and CSM.

The fulfilment cash flows of insurance contracts (including investment contracts with DPF) represents the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for nonfinancial risk. The assumptions used and the techniques for estimating fulfilment cash flows and risk adjustment for non-financial risk are based on actual experience by each geographical market and policy form. The Group exercises significant judgement in making appropriate assumptions and techniques.

(XV) MEASUREMENT OF INSURANCE CONTRACTS MEASURED UNDER THE PREMIUM ALLOCATION APPROACH

When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under HKFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(XVI) DETERMINATION OF COVERAGE UNIT

The CSM of a group of contracts issued is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money.

The quantity of services provided by insurance contracts could include insurance coverage, investment-return service and investment-related service, as applicable. In assessing the services provided by insurance contracts, the terms and benefit features of the contracts are considered.

Relevant elements are considered in determining the quantity of service including among others, benefit payments and premiums. The Group applies judgement in these determinations.

Expected coverage period is derived based on the likelihood of an insured event occurring to the extent they affect the expected duration of contracts in the group. Determining the expected coverage period is judgemental since it involves making an expectation of when claims and lapse will occur.

(XVII) TRANSITION TO HKFRS 17

The Group applied HKFRS 17 in the consolidated financial statement from 1 January 2022 and onwards. The Group has determined that it was impracticable to apply the full retrospective approach for some groups of contracts because certain historical information was not available or was not available without undue cost or effort that would enable it to be used under this approach. Therefore, the Group applied fair value approaches for these groups of contracts. The Group exercises judgements in determining the transition approaches, applying the transition methods and measuring the transition impacts on the transition date which will affect the amounts recognised in the consolidated financial statement on the transition date.

(XVIII) VALUATION OF THE IDENTIFIABLE ASSETS AND LIABILITIES THROUGH BUSINESS COMBINATIONS AND THE RECOGNISED CORRESPONDING GOODWILL OR GAIN ON BARGAIN PURCHASE

The Group completed certain business combinations during the year. The purchase prices are allocated between the fair values of the identifiable assets acquired and the liabilities assumed which result in the recognition of goodwill or gains on bargain purchase. Management, assisted by the external appraisers, evaluated the fair values of identifiable assets acquired and liabilities assumed and completed the purchase price allocation. The fair value determination in the accounting for business combinations relied on significant management estimation in respect of fair value assessments.

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2023 are set out below:

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries						
Asset Management segment						
上海復星高科技(集團)有限公司#^ (Shanghai Fosun High Technology (Group) Co., Ltd.) ("Fosun High Technology")	PRC/Chinese Mainland	RMB4,800,000,000	100.0%	–	100.0%	Investment holding
上海復星產業投資有限公司# (Shanghai Fosun Industrial Investment Co., Ltd.)	PRC/Chinese Mainland	RMB600,000,000	–	100.0%	100.0%	Investment holding
復星金融控股有限公司 (Fosun Financial Holdings Limited)	Hong Kong, China	HKD18,598,275,001	100.0%	–	100.0%	Investment holding
復星地產控股有限公司 (Fosun Property Holdings Limited)	Hong Kong, China	HKD1	100.0%	–	100.0%	Investment holding
上海復星創富投資管理股份有限公司# (Shanghai Fosun Capital Investment Management Co., Ltd.)	PRC/Chinese Mainland	RMB200,000,000	–	100.0%	100.0%	Capital investment and management
復地(集團)股份有限公司# (Shanghai Forte Land Co., Ltd.) ("Forte")	PRC/Chinese Mainland	RMB2,504,155,034	–	100.0%	100.0%	Property development
上海復星外灘商業有限公司# (Shanghai Fosun Bund Commercial Co., Ltd.)	PRC/Chinese Mainland	RMB7,000,000,000	–	100.0%	100.0%	Property development
浙江復星商業發展有限公司# (Zhejiang Fosun Commercial Development Co., Ltd)	PRC/Chinese Mainland	RMB100,000,000	–	100.0%	100.0%	Property development
復星產業控股有限公司 (Fosun Industrial Holdings Limited)	Hong Kong, China	HKD500,000,000	100.0%	–	100.0%	Investment holding
Fortune Star (BVI) Limited	Virgin Islands, British	USD1	–	100.0%	100.0%	Capital investment and management
上海復星工業技術發展有限公司# (Shanghai Fosun Industrial & Technology Development Co., Ltd)	PRC/Chinese Mainland	RMB8,200,000,000	–	100.0%	100.0%	Capital investment and management

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2023 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continued)*						
Asset Management segment (Continued)						
Hauck Aufhäuser Lampe Privatbank AG	Germany	EUR28,913,628	–	99.7%	99.7%	Private banking and financial services
Health segment						
上海復星醫藥(集團)股份有限公司*/# (Shanghai Fosun Pharmaceutical (Group) Co., Ltd.) ("Fosun Pharma")	PRC/Chinese Mainland	RMB2,672,398,711	0.2%	35.9%	36.1%	Investment holding
上海復星醫藥產業發展有限公司# (Shanghai Fosun Pharmaceutical Industrial Development Company Limited)	PRC/Chinese Mainland	RMB3,950,000,000	–	100.0%	36.1%	Investment holding
江蘇萬邦生化醫藥集團有限責任公司# (Jiangsu Wanbang Biopharmaceutical Co., Ltd.)	PRC/Chinese Mainland	RMB480,455,400	–	100.0%	36.1%	Manufacture and trading of medicine
湖北新生源生物工程有限公司# (Shine Star (Hubei) Biological Engineering Co., Ltd.)	PRC/Chinese Mainland	RMB51,120,000	–	51.0%	18.4%	Manufacture and trading of medicine
重慶藥友製藥有限責任公司# (YaoPharma Co., Ltd.)	PRC/Chinese Mainland	RMB196,540,000	–	61.0%	22.0%	Manufacture and trading of medicine

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2023 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continue)*						
Health segment (continue)						
桂林南藥股份有限公司# (Guilin South Pharma Co., Ltd.)	PRC/Chinese Mainland	RMB285,030,300	–	96.5%	34.8%	Manufacture and trading of medicine
上海復宏漢霖生物技術股份有限公司# (Shanghai Henlius Biotech, Inc) ("Henlius"))	PRC/Chinese Mainland	RMB543,494,900	–	59.6%	21.5%	Medical research
復星實業(香港)有限公司 (Fosun Industrial Co., Limited)	Hong Kong, China	USD621,446,075	–	100.0%	36.1%	Investment holding
佛山復星禪城醫院有限公司# (Foshan Fosun Chancheng Hospital Company Limited)	PRC/Chinese Mainland	RMB50,000,000	–	87.4%	31.5%	Provision of healthcare services
蘇州二葉製藥有限公司# (Suzhou Erye Pharmaceutical Co. Ltd.)	PRC/Chinese Mainland	RMB300,000,000	–	90.0%	32.5%	Manufacture and trading of medicine
Gland Pharma Limited ("Gland")	India	Not Applicable	–	57.9%	20.9%	Manufacture and trading of medicine
Luz Saúde, S.A.	Portugal	EUR95,542,254	–	99.9%	84.9%	Provision of healthcare services
Intelligent Manufacturing Segment						
海南礦業股份有限公司*# (Hainan Mining Co., Ltd.)	PRC/Chinese Mainland	RMB2,037,522,809	–	45.8%	45.8%	Sale of iron and steel products
上海翌耀科技股份有限公司# (Shanghai Easun Technology Co., Ltd.)	PRC/Chinese Mainland	RMB609,322,034	–	49.8%	44.4%	Provision of digital and intelligent solution

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2023 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continue)*						
Happiness segment						
Club Med SAS	France	EUR149,704,804	–	100.0%	78.0%	Tourism
海南亞特蘭蒂斯商旅發展有限公司# (Hainan Atlantis Commerce And Tourism Development Co., Ltd)	PRC/Chinese Mainland	RMB801,500,000	–	100.0%	78.2%	Tourism
上海豫園旅遊商城(集團)股份有限公司# (Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.) ("Yuyuan")	PRC/Chinese Mainland	RMB3,896,095,653	–	61.8%	61.8%	Retail
武漢復智房地產開發有限公司# (Wuhan Fuzhi Real Estate Development Co., Ltd)	PRC/Chinese Mainland	RMB4,500,000,000	–	100.0%	100.0%	Property development
上海豫園珠寶時尚集團有限公司# (Shanghai Yuyuan Jewelry Fashion Group Co., Ltd.)	PRC/Chinese Mainland	RMB2,200,000,000	–	100.0%	61.8%	Retail of jewelry
ST Hubert SAS	France	EUR465,150,074	–	98.1%	50.0%	Manufacturing and trading of dairy products
Lanvin Group Holdings Limited	Cayman Islands/ Chinese Mainland	USD50,000	–	58.6%	57.1%	Investment holding

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2023 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continued)*						
Insurance segment						
鼎睿再保險有限公司 (Peak Reinsurance Company Limited)	Hong Kong, China	USD786,720,713	–	86.7%	86.7%	Reinsurance
Fidelidade – Companhia de Seguros, S.A.	Portugal	EUR509,263,524	–	85.0%	85.0%	Underwriting of life and non-life insurance
Associates						
國藥產業投資有限公司# (Sinopharm Industrial Investment Co., Ltd.) ("Sinopharm")	PRC/Chinese Mainland	RMB100,000,000	–	49.0%	17.7%	Distribution of pharmaceutical products
Banco Comercial Português, S.A.	Portugal	EUR3,000,000,000	–	26.0%	26.0%	Banking and financial services
Joint venture						
四川沱牌舍得集團有限公司#/& (Sichuan Tuopai Shede Group Co., Ltd.)	PRC/Chinese Mainland	RMB232,240,000	–	70.0%	43.3%	Manufacture and trading of wine and beverage

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

The English names of the above subsidiaries, associates and joint ventures are directly translated from their Chinese names.

The above table lists the subsidiaries, associates and joint ventures of the Group which, in the opinion of the directors of the Company, materially contribute to the net income of the Group or hold a material portion of the assets or liabilities of the Group, for the year ended 31 December 2023. To give details of other subsidiaries, associates and joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length. Further details of the debt securities of the principal subsidiaries of the Company are contained in note 50.

Notes:

* Fosun Pharma continues to be accounted for as a subsidiary because the Group continues to be the single major shareholder of Fosun Pharma and holds relatively larger voting rights than other dispersed public shareholders, despite the fact that the Group's equity interest in this company was 36.1% as at 31 December 2023.

Hainan Mining Co., Ltd. continues to be accounted for as a subsidiary because the Group continues to be the largest major shareholder of Hainan Mining Co., Ltd. and holds relatively larger voting rights than other shareholders, despite the fact that the Group's equity interest in this company was 45.8% as at 31 December 2023.

\# These companies are registered as limited liability companies under PRC law.

& The Group, through Yuyuan held 70% equity interest in Sichuan Tuopai Shede Group Co., Ltd.(" Tuopai Shede") as at 31 December 2023. The remaining 30% equity interest is held by the People's Government of Shehong County. According to the articles of association of Tuopai Shede, the resolutions on the relevant activities required 100% shareholders' approval and Tuopai Shede was accounted for as a joint venture of the Group.

^ Wholly foreign-owned enterprise under PRC law.

5. 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 management, 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, new functional materials 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 operating 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 utilisation of the financing.

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

5. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2023

	Health	Happiness	Wealth		Intelligent manufacturing		
			Insurance	Asset Management		Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	45,283,446	88,717,140	37,453,611	13,990,518	12,755,595	–	198,200,310
Inter-segment sales	1,030,940	229,268	2	335,390	7	(1,595,607)	–
Total revenue	46,314,386	88,946,408	37,453,613	14,325,908	12,755,602	(1,595,607)	198,200,310
Segment results							
Profit before tax	3,075,241	1,242,706	2,017,679	123,873	1,575,325	(163,117)	7,871,707
Tax	(400,251)	(1,045,402)	(344,163)	(475,545)	(259,220)	–	(2,524,581)
Profit/(loss) for the year	2,674,990	197,304	1,673,516	(351,672)	1,316,105	(163,117)	5,347,126
Segment and total assets	126,769,676	196,770,992	186,423,719	267,558,352	39,712,256	(8,847,406)	808,387,589
Segment and total liabilities	63,099,770	142,680,236	169,893,918	210,060,098	19,886,009	(5,807,280)	599,812,751
Other segment information:							
Interest and dividend income	469,866	240,017	4,274,936	644,705	90,722	(264,488)	5,455,758
Other income and gains (excluding interest and dividend income)	1,187,556	4,528,419	2,648,072	843,138	1,645,275	(11,017)	10,841,443
Impairment losses recognised in the statement of profit or loss, net	(351,670)	(654,204)	(301,475)	(1,628,049)	(83,941)	–	(3,019,339)
Finance costs	(1,614,437)	(3,805,945)	(1,629,219)	(5,215,739)	(314,383)	186,161	(12,393,562)
Share of profits and losses of							
– Joint ventures	(202,030)	441,934	6,716	2,625,145	(2,015)	–	2,869,750
– Associates	2,462,757	197,431	17,401	4,370,834	(234,065)	(125,772)	6,688,586
Depreciation and amortisation	(3,202,839)	(4,812,238)	(716,029)	(812,988)	(1,012,975)	–	(10,557,069)
Research and development costs	(4,351,157)	(167,957)	(6,290)	(21,184)	(342,798)	6,486	(4,882,900)
Fair value (loss)/gain on fair value adjustments of investment properties	–	(8,524)	(305,356)	1,427,764	–	–	1,113,884
Fair value (loss)/gain on financial assets at fair value through profit or loss	(203,419)	332,510	559,675	1,286,487	80,379	12,571	2,068,203
Investments in joint ventures	98,910	7,807,473	1,083,583	4,010,328	6	(416,224)	12,584,076
Investments in associates	26,183,380	6,767,218	1,729,846	33,908,628	2,079,758	(2,414,250)	68,254,580
Capital expenditure*	5,729,258	4,643,632	1,330,305	524,157	1,516,453	–	13,743,805

5. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2022 (restated)

	Health	Happiness	Wealth		Intelligent Manufacturing		
			Insurance	Asset Management		Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	47,209,068	70,455,461	39,459,418	14,946,190	10,355,636	-	182,425,773
Inter-segment sales	792,197	284,068	698	348,477	-	(1,425,440)	-
Total revenue	48,001,265	70,739,529	39,460,116	15,294,667	10,355,636	(1,425,440)	182,425,773
Segment results							
Profit before tax	4,948,437	5,237,348	(2,267,248)	1,399,638	1,462,948	(89,743)	10,691,380
Tax	(672,447)	(2,571,991)	(498,961)	(3,901,061)	(50,358)	-	(7,694,818)
Profit/(loss) for the year	4,275,990	2,665,357	(2,766,209)	(2,501,423)	1,412,590	(89,743)	2,996,562
Segment and total assets	120,454,202	200,117,980	179,551,315	269,113,047	47,424,454	(10,284,765)	806,376,233
Segment and total liabilities	59,223,893	147,602,416	164,952,083	225,380,343	17,299,410	(7,156,931)	607,301,214
Other segment information:							
Interest and dividend income	347,074	248,996	3,507,980	905,151	61,744	(164,884)	4,906,061
Other income and gains (excluding interest and dividend income)	1,098,443	6,733,348	1,159,969	7,835,098	95,462	(22,073)	16,900,247
Impairment losses recognised in the statement of profit or loss, net	(343,852)	(80,844)	(36,923)	(2,766,240)	(459,408)	-	(3,687,267)
Finance costs	(1,175,476)	(2,985,439)	(1,676,972)	(4,936,469)	(270,545)	158,219	(10,886,682)
Share of profits and losses of							
– Joint ventures	(233,925)	656,997	(288,825)	47,605	798,094	(13,656)	966,290
– Associates	2,026,082	(757,487)	193,476	2,603,506	388,392	(55,470)	4,398,499
Depreciation and amortisation	(2,545,503)	(4,082,175)	(674,917)	(713,475)	(990,885)	-	(9,006,955)
Research and development costs	(4,305,647)	(234,710)	(6,567)	(37,081)	(327,664)	-	(4,911,669)
Fair value (loss)/gain on fair value adjustments of investment properties	-	(3,891)	347,710	8,499,539	-	-	8,843,358
Fair value (loss)/gain on financial assets at fair value through profit or loss	(319,035)	432,255	(2,533,721)	619,656	32,581	726	(1,767,538)
Investments in joint ventures	250,606	6,287,576	1,099,385	2,707,710	-	(442,202)	9,903,075
Investments in associates	25,260,181	6,950,696	1,926,563	34,859,852	2,011,399	(2,354,732)	68,653,959
Capital expenditure*	5,819,005	3,536,590	1,835,362	1,160,282	1,466,418	-	13,817,657

* Capital expenditure consists of additions to property, plant and equipment, exploration and evaluation assets, mining rights, intangible assets, investment properties, and oil and gas assets.

5. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(A) REVENUE FROM EXTERNAL CUSTOMERS

	2023	2022
	RMB'000	RMB'000
		(Restated)
Chinese Mainland	**108,998,994**	98,263,205
Portugal	**20,587,915**	17,816,250
Other countries and regions	**68,613,401**	66,346,318
Total	**198,200,310**	182,425,773

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

(B) ASSETS EXPECTED TO BE RECOVERED MORE THAN 12 MONTHS

	2023	2022
	RMB'000	RMB'000
Chinese Mainland	**206,718,478**	200,882,005
Portugal	**23,750,359**	24,191,381
Other countries and regions	**102,028,563**	93,573,105
Total	**332,497,400**	318,646,491

The information of the assets that are expected to be recovered more than 12 months after the reporting period as disclosed above is based on the locations of the assets and excludes financial instruments, deferred tax assets, insurance contract assets and reinsurance contract assets.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2023 and 2022.

6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods or properties sold after allowances for returns, trade discounts and various types of government surcharges, where applicable during the year. In addition, it includes the value of services rendered, insurance revenue from the insurance business, rental income from investment properties and interest income during the year.

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

		Notes	2023 RMB'000	2022 RMB'000 (Restated)
Revenue				
Revenue from contracts with customers				
– Sale of goods		*(1)*	**115,811,611**	107,463,860
– Rendering of services		*(2)*	**39,996,251**	33,604,587
Subtotal			**155,807,862**	141,068,447
Revenue from other sources				
– Insurance revenue		*(3)*	**36,926,456**	39,052,636
– Rental income			**2,238,607**	2,036,566
– Interest income			**3,818,035**	1,007,790
Subtotal			**42,983,098**	42,096,992
Others				
– Less: Government surcharges			**(590,650)**	(739,666)
Total revenue			**198,200,310**	182,425,773
(1)	Sale of goods:			
	Pharmaceuticals and medical products		**34,104,700**	37,488,585
	Properties		**17,580,173**	16,530,005
	Gold and jewelleries		**36,726,694**	33,071,111
	Ore products		**1,749,896**	1,720,890
	Oil and gas		**1,754,965**	1,577,917
	Fashion products		**7,886,167**	4,444,024
	New functional materials		**453,787**	–
	Others		**15,555,229**	12,631,328
	Total		**115,811,611**	107,463,860
(2)	Rendering of services:			
	Tourism		**17,053,367**	12,869,940
	Healthcare		**9,871,662**	9,676,880
	Property agency		**246,889**	225,618
	Property management		**1,496,100**	1,612,579
	Asset management		**703,696**	711,361
	Fee and commission income		**2,369,497**	2,211,621
	Others		**8,255,040**	6,296,588
	Total		**39,996,251**	33,604,587

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

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

		2023 RMB'000	2022 RMB'000 (Restated)
(3)	Insurance revenue:		
	Amounts relating to changes in liabilities for remaining coverage:		
	Expected incurred claims and other insurance service expenses	**8,583,375**	10,864,611
	Change in risk adjustment for non-financial risk	**414,518**	589,175
	CSM recognised for services provided	**2,128,566**	2,359,570
	Other amounts	**1,022,835**	(490,067)
	Amounts relating to recovery of insurance acquisition cash flow	**479,883**	485,247
	Contracts not measured under the PAA	**12,629,177**	13,808,536
	Contracts measured under the PAA	**24,297,279**	25,244,100
	Total	**36,926,456**	39,052,636
	Represented by:		
	Contracts measured under the fair value approach	**1,670,938**	1,560,980
	Contracts other than those to which fair value approach or modified retrospective approach are applied	**35,255,518**	37,491,656
	Total	**36,926,456**	39,052,636

Performance obligations

Information about the Group's performance obligations is summarised below:

SALE OF GOODS

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery, or payment in advance is required in some cases.

SALE OF COMPLETED PROPERTIES

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. Otherwise, revenue is recognised at the point in time when the customer obtains the physical possession or the legal title of the completed property and the Group has the present right to payment and the collection of the consideration is probable.

SERVICE INCOME

The performance obligation is satisfied over time as services are rendered and the customer simultaneously receives and consumes the benefits. Short-term advances are normally required before rendering the services.

6. 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 with the amounts disclosed in the segment information:

Segments:

For the year ended 31 December 2023

	Health	Happiness	Wealth		Intelligent Manufacturing	
			Insurance	Asset Management		Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services						
Sale of goods	**33,673,756**	**65,280,775**	**1,872**	**4,107,438**	**12,747,770**	**115,811,611**
Rendering of services	**11,751,097**	**23,105,379**	**526,463**	**4,527,417**	**85,895**	**39,996,251**
Total revenue from contracts with customers	**45,424,853**	**88,386,154**	**528,335**	**8,634,855**	**12,833,665**	**155,807,862**
Timing of revenue recognition						
Goods transferred at a point in time	**33,673,756**	**65,280,775**	**1,872**	**4,107,438**	**12,747,770**	**115,811,611**
Services transferred over time	**11,751,097**	**23,105,379**	**526,463**	**4,527,417**	**85,895**	**39,996,251**
Total revenue from contracts with customers	**45,424,853**	**88,386,154**	**528,335**	**8,634,855**	**12,833,665**	**155,807,862**

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

For the year ended 31 December 2022

	Health	Happiness	Wealth		Intelligent Manufacturing	
			Insurance	Asset Management		Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services						
Sale of goods	37,231,061	53,043,180	1,287	6,855,966	10,332,366	107,463,860
Rendering of services	10,122,643	17,618,105	406,362	5,352,221	105,256	33,604,587
Total revenue from contract with customers	47,353,704	70,661,285	407,649	12,208,187	10,437,622	141,068,447
Timing of revenue recognition						
Goods transferred at a point in time	37,231,061	53,043,180	1,287	6,855,966	10,332,366	107,463,860
Services transferred over time	10,122,643	17,618,105	406,362	5,352,221	105,256	33,604,587
Total revenue from contract with customers	47,353,704	70,661,285	407,649	12,208,187	10,437,622	141,068,447

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

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

	2023 RMB'000	2022 RMB'000 (Restated)
Other income		
Interest income	1,080,357	960,883
Dividends and interest from financial assets at fair value through profit or loss	1,762,873	1,699,729
Dividends from equity investments designated at fair value through other comprehensive income (note 31)	159,312	145,737
Interest income from debt investments at fair value through other comprehensive income	2,453,216	2,099,712
Rental income	772,475	548,998
Government grants	956,689	788,809
Fee income relating to investment contracts	1,104,717	1,003,614
Others	1,127,134	1,563,214
Total other income	9,416,773	8,810,696
Gains		
Gain on disposal of subsidiaries (note 56(b))	1,606,965	1,253,732
Gain on bargain purchase of subsidiaries	–	306,277
Gain on remeasurement of previously held interests in step acquisitions of subsidiaries	–	1,408,718
Gain on deemed disposal of associates	106,147	35,337
Gain on disposal of joint ventures	311,177	468,590
Gain on disposal of items of property, plant and equipment	336,502	89,157
Gain on disposal of items of intangible assets	604,138	330,755
Gain on disposal of assets classified as held for sale	733,412	–
Gain on fair value adjustment of financial assets at fair value through profit or loss	2,068,203	–
Gain on fair value adjustment of investment properties (note 33)	1,113,884	8,843,358
Gain on reversal of impairment of debt investments measured at fair value through other comprehensive income	–	120
Gain on rent concessions as a result of the COVID-19 pandemic	–	96,697
Exchange gain, net	–	162,871
Total gains	6,880,428	12,995,612
Total other income and gains	16,297,201	21,806,308

7. FINANCIAL EXPENSES FROM INSURANCE CONTRACTS ISSUED

	2023 RMB'000	2022 RMB'000 (Restated)
Interest accreted to insurance contracts and effect of changes in financial assumptions	**(3,069,853)**	4,311,717
Net foreign exchange income	**133,698**	522,058
Total financial (expenses)/income from insurance contracts issued	**(2,936,155)**	4,833,775
Represented by:		
Amounts recognised in profit and loss	**(918,876)**	(23,371)
Amounts recognised in other comprehensive income	**(2,017,279)**	4,857,146

8. FINANCIAL INCOME FROM REINSURANCE CONTRACTS HELD

	2023 RMB'000	2022 RMB'000 (Restated)
Interest accreted to reinsurance contracts and effect of changes in financial assumptions	**232,105**	(161,729)
Net foreign exchanges expenses	**(2,286)**	(29,331)
Total financial income/(expenses) from reinsurance contracts issued	**229,819**	(191,060)
Represented by:		
Amounts recognised in profit and loss	**126,071**	50,213
Amounts recognised in other comprehensive income	**103,748**	(241,273)

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2023 RMB'000	2022 RMB'000
Interest on bank and other borrowings (including convertible bonds)	**12,262,788**	11,568,294
Incremental interest on other long term payables (note 49)	**18,983**	5,609
Interest on lease liabilities (note 34)	**838,375**	642,346
	13,120,146	12,216,249
Less: Interest capitalised, in respect of bank and other borrowings (note 19 and note 32)	**(1,055,982)**	(1,751,413)
Interest expenses, net	**12,064,164**	10,464,836
Interest on discounted notes	**10,047**	9,440
Bank charges and other financial costs	**319,351**	412,406
Total	**12,393,562**	10,886,682

10. PROFIT BEFORE TAX

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

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
Cost of sales:			
Cost of inventories sold		**85,844,409**	73,177,657
Cost of services provided		**27,884,790**	23,219,606
		113,729,199	96,397,263
Insurance service expense		**30,204,086**	35,406,066
Staff costs (including directors' and chief executive's remuneration and five highest paid employees as set out in note 11):			
Wages and salaries		**25,513,616**	20,499,130
Accommodation benefits:			
Defined contribution fund		**1,030,603**	892,772
Retirement costs:			
Defined contribution fund		**1,312,093**	1,169,586
Defined benefit fund		**80,905**	103,667
Equity-settled share-based payments (note 58)		**271,677**	253,790
Total staff costs		**28,208,894**	22,918,945
Research and development costs		**4,882,900**	4,911,669
Auditor's remuneration		**11,900**	11,350
Depreciation of items of property, plant and equipment	*32*	**3,936,784**	3,589,760
Depreciation of right-of-use assets	*34*	**3,271,188**	2,670,621
Amortisation of mining rights	*36*	**16,594**	16,234
Amortisation of oil and gas assets	*37*	**601,704**	500,396
Amortisation of intangible assets	*38*	**2,730,799**	2,229,944
Impairment of financial assets, net:			
– Impairment of receivables		**299,981**	632,680
– Impairment/(reversal of) of debt investments measured at fair value through other comprehensive income		**94,315**	(120)
– Provision for loans and advances to customers	*16*	**116,241**	30,648
– Provision for impairment of debt investments at amortised cost		**236,357**	33,453
– Impairment of finance lease receivables	*26*	**49,541**	13,093

10. PROFIT BEFORE TAX *(Continued)*

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

	Notes	**2023 RMB'000**	2022 RMB'000 (Restated)
Provision for inventories		**234,796**	472,050
Provision for impairment of oil and gas assets	*37*	**–**	174,145
Provision for impairment of completed properties for sale		**340,456**	14,259
Provision for impairment of items of property, plant and equipment	*32*	**47,256**	57,870
Provision for impairment of investments in associates		**904,641**	1,908,093
Provision for impairment of intangible assets	*38*	**144,525**	149,703
Provision for impairment of right of use assets	*34*	**36,985**	3,882
Provision for impairment of properties under development		**438,049**	–
Provision for impairment of goodwill	*41*	**76,196**	197,511
Lease payment not included in the measurement of lease liabilities		**364,348**	346,215
(Gain)/loss on fair value adjustment of financial assets at fair value through profit or loss		**(2,068,203)**	1,767,538
Loss on disposal/partial disposal of associates		**88,739**	2,080,507
Loss on disposal of debt investments at fair value through other comprehensive income		**341,614**	235,429
Loss on derivative financial instruments		**183,902**	1,198,406
Exchange loss/(gain), net		**854,306**	(162,871)

* At 31 December 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in the future years (2022: Nil).

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2023 RMB'000	2022 RMB'000
Directors' Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	40,040	40,587
Performance related bonus*	124,214	133,879
Pension scheme contributions	453	435
Total	164,707	174,901

* The executive directors of the Company are entitled to performance related bonus which is determined based on internal appraisal of various performance indicators.

During 2022 and 2023, certain directors were granted share awards and share options in respect of their services to the Group under the share award scheme and share option scheme, respectively, of the Company. The Group has recognised an amount of RMB71,570,000 as expenses during the year ended 31 December 2023 (2022: RMB92,555,000), further details of which are set out in note 58 to the financial statements. The fair value of the share award and share option, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

There were no emoluments paid by the Group or receivable by the directors or past directors as an inducement to join the Group, or upon joining the Group, or as compensation for loss of office during the year.

(i) Independent non-executive directors

There were no fees paid to independent non-executive directors during the year (2022: Nil). The other emoluments excluding the equity-settled share award and share option scheme expenses of independent non-executive directors during the year were as follows:

	2023 RMB'000	2022 RMB'000
Zhang Shengman	675	644
Zhang Huaqiao	675	644
David T. Zhang	675	644
Lee Kai-Fu	675	644
Tsang King Suen Katherine	675	644
Total	3,375	3,220

The expenses recognised for the share awards and share options granted for the year ended 2023 are as followings: Mr. Zhang Shengman: RMB163,000 (2022: RMB226,000), Mr. Zhang Huaqiao: RMB163,000 (2022: RMB226,000), Mr. David T. Zhang: RMB163,000 (2022: RMB226,000), Mr. Lee Kai-Fu: RMB163,000 (2022: RMB226,000) and Ms. Tsang King Suen Katherine: RMB156,000 (2022: RMB183,000).

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(ii) Executive directors', non-executive directors' and chief executive's remuneration

(A) REMUNERATION EXCLUDING EXPENSES FOR EQUITY-SETTLED SHARE AWARD AND SHARE OPTION SCHEME.

	Fees RMB'000	Salaries, allowances, and benefits in kind RMB'000	Performance related bonus RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
31 December 2023					
Executive directors:					
Guo Guangchang	–	6,946	26,700	84	33,730
Wang Qunbin	–	6,796	25,663	84	32,543
Chen Qiyu	–	6,419	25,248	84	31,751
Xu Xiaoliang	–	6,325	25,248	60	31,633
Gong Ping	–	3,732	8,308	84	12,124
Huang Zhen	–	3,659	6,330	–	9,989
Pan Donghui (appointed as executive director on 29 March 2023)	–	2,788	6,717	57	9,562
Subtotal	–	36,665	124,214	453	161,332
Non-executive directors:					
Yu Qingfei	–	–	–	–	–
Li Shupei	–	–	–	–	–
Li Fuhua (appointed as non-executive director on 2 February 2023)	–	–	–	–	–
	–	–	–	–	–
Total	–	36,665	124,214	453	161,332
31 December 2022					
Executive directors:					
Guo Guangchang	–	6,599	29,818	78	36,495
Wang Qunbin	–	6,456	28,757	78	35,291
Chen Qiyu	–	6,153	24,558	78	30,789
Xu Xiaoliang	–	5,948	26,099	55	32,102
Qin Xuetang (resigned as executive director on 17 February 2023)	–	3,943	11,091	68	15,102
Gong Ping	–	3,713	8,224	78	12,015
Huang Zhen	–	3,630	5,332	–	8,962
Subtotal	–	36,442	133,879	435	170,756
Non-executive directors:					
Yu Qingfei	–	603	–	–	603
Zhuang Yuemin (resigned as non-executive director on 2 February 2023)	–	322	–	–	322
Li Shupei	–	–	–	–	–
	–	925	–	–	925
Total	–	37,367	133,879	435	171,681

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(ii) Executive directors', non-executive directors' and chief executive's remuneration *(Continued)*

(B) REMUNERATION OF EXPENSES FOR EQUITY-SETTLED SHARE AWARD AND SHARE OPTION SCHEME.

The expenses recognised for the share awards and share options granted for the year ended 31 December 2023 are as followings: Mr. Guo Guangchang: RMB1,185,000 (2022: RMB3,842,000), Mr. Wang Qunbing: RMB1,131,000 (2022: RMB3,665,000), Mr. Chen Qiyu: RMB22,630,000 (2022: RMB29,253,000), Mr. Xu Xiaoliang: RMB21,332,000 (2022: 25,357,000), Mr. Gong Ping: RMB11,008,000 (2022: RMB11,454,000), Mr. Huang Zhen: RMB6,118,000 (2022: RMB5,323,000), Mr. Pan Donghui: RMB7,250,000 (2022: nil), Mr. Yu Qingfei: RMB108,000 (2022: RMB79,000), Mr. Qin Xuetang: nil (2022: RMB12,416,000), Mr. Zhuang Yuemin: nil (2022: RMB79,000).

There was no arrangement under which a director waived or agreed to waive any remuneration and/or emoluments during the year.

(iii) Five highest paid employees

The five highest paid employees during the year included five directors (2022: five directors), details of whose remuneration are set out in note 9(ii) above. There were no highest paid employees who are neither a director nor chief executive of the Company for the year of 2023 (2022: Nil).

During 2023, no non-director highest paid employees (2022: Nil) were granted share award and share option in respect of their services to the Group, further details of which are included in the disclosures in note 58 to the financial statements. The fair value of the share award and share option, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

12. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The provision for income tax of Peak Reinsurance Company Limited ("Peak Re") incorporated in Hong Kong acquired by the Group, is based on a preferential rate of 8.25% (2022: 8.25%).

The provision for income tax of Alma Lasers Ltd. ("Alma Lasers"), a subsidiary of the Group incorporated in Israel, is based on a preferential effective rate of 6.0% (2022: 6.0%).

The provision for income tax of Fidelidade – Companhia de Seguros, S.A., and its subsidiaries incorporated in Portugal, is based on a rate of 31.5% (2022: 31.5%).

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France is based on a rate of 25.83% (2022: 25.83%).

The provision for income tax of Hauck Aufhäuser Lampe Privatbank AG ("HAL") and its subsidiaries which was incorporated in Germany is based on a rate of 31.88% (2022: 31.88%).

The provision for income tax of Gland Pharma Limited ("Gland"), which was incorporated in India, was based on a statutory rate of 25.17% in 2023 (2022: 25.17%).

The provision for income tax of entities incorporated in the Chinese Mainland was based on a statutory rate of 25% (2022: 25%) as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the Chinese Mainland, which were taxed at preferential rates ranging from 0% to 20%.

The major components of tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	2023 **RMB'000**	2022 RMB'000 (Restated)
Current – Portugal, Hong Kong and others	**1,183,994**	2,441,487
Current – Chinese Mainland		
– Income tax in the Chinese Mainland for the year	**2,731,596**	2,254,921
– LAT in the Chinese Mainland for the year	**582,341**	1,295,651
Deferred (note 42)	**(1,973,350)**	1,702,759
Tax expense for the year	**2,524,581**	7,694,818

12. TAX *(Continued)*

A reconciliation between the tax expenses and profit before tax excluding share of profits and losses of associates and joint ventures at the applicable statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled is as follows:

	Portugal, Hong Kong and others RMB'000	Chinese Mainland RMB'000	Total RMB'000
2023			
Profit/(Loss) before tax excluding share of profits and losses of associates and joint ventures	300,296	(1,986,925)	(1,686,629)
Tax at the applicable tax rate	710,674	(489,803)	220,871
Different tax rates for specific entities	(55,897)	(146,155)	(202,052)
Tax effect of:			
Income not subject to tax	(2,116,831)	(243,264)	(2,360,095)
Influence of the change of tax rate on the deferred income tax balance	21,676	(5,105)	16,571
Expenses not deductible for tax	2,413,744	583,320	2,997,064
Tax losses and temporary differences not recognised	369,337	2,346,671	2,716,008
Tax losses utilised	(359,094)	(294,161)	(653,255)
Under provision in prior years	(30,118)	(64,976)	(95,094)
Tax incentives on eligible expenditures	(65,677)	(434,968)	(500,645)
Subtotal	887,814	1,251,559	2,139,373
Provision for LAT for the year	–	200,636	200,636
Deferred tax effect of provision for LAT	–	(50,159)	(50,159)
Prepaid LAT for the year	–	381,705	381,705
Tax effect of prepaid LAT	–	(95,427)	(95,427)
Decrease in deferred LAT in deferred tax liabilities (note 42)	–	(51,547)	(51,547)
Total	887,814	1,636,767	2,524,581

12. TAX *(Continued)*

A reconciliation between the tax expenses and profit before tax excluding share of profits and losses of associates and joint ventures at the applicable statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled is as follows: *(Continued)*

	Portugal, Hong Kong and others RMB'000	Chinese Mainland RMB'000	Total RMB'000
2022 (restated)			
(Loss)/Profit before tax excluding share of profits and losses of associates and joint ventures	(3,967,121)	9,293,712	5,326,591
Tax at the applicable tax rate	(122,450)	2,373,359	2,250,909
Different tax rates for specific entities	46,843	(178,601)	(131,758)
Tax effect of:			
Income not subject to tax	(419,532)	(629,373)	(1,048,905)
Influence of the change of tax rate on the deferred income tax balance	35,330	12	35,342
Expenses not deductible for tax	2,516,538	505,334	3,021,872
Tax losses and temporary differences not recognised	409,858	2,267,667	2,677,525
Tax losses utilised	(714,027)	(380,269)	(1,094,296)
Under provision in prior years	39,510	13,773	53,283
Tax incentives on eligible expenditures	(78,248)	(314,044)	(392,292)
Tax impact recognised for disposal associated with certain subsidiaries joint ventures and associates	75,266	2,435,888	2,511,154
Reversal of deferred tax liabilities for tax impact on certain investment	(1,128,187)	–	(1,128,187)
Subtotal	660,901	6,093,746	6,754,647
Provision for LAT for the year	–	889,692	889,692
Deferred tax effect of provision for LAT	–	(222,353)	(222,353)
Prepaid LAT for the year	–	405,959	405,959
Tax effect of prepaid LAT	–	(101,489)	(101,489)
Decrease in deferred LAT in deferred tax liabilities (note 42)	–	(31,638)	(31,638)
Total	660,901	7,033,917	7,694,818

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 year, the prepaid LAT of the Group amounted to RMB381,705,000(2022: RMB405,959,000).

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 RMB305,679,000 (2022: RMB889,692,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, there was RMB105,043,000 LAT provision (2022: nil) 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.

13. DIVIDENDS

	2023 RMB'000	2022 RMB'000
2022 final dividend declared in 2023 – HKD0.014 per ordinary share (2021 final dividend declared in 2022 – HKD0.3 per ordinary share)	**103,349**	2,148,152

A final dividend of HKD0.014 per ordinary share for the year ended 31 December 2022 was declared and approved by the shareholders at the annual general meeting of the Company on 9 June 2023, amounting to a total of approximately HKD114,869,000(equivalent to RMB103,349,000).

The directors did not recommend the payment of an interim dividend in respect of the year.

On 27 March 2024, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2023 of HKD0.038 per ordinary share, amounting to a total of approximately HKD311,720,000, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year 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 8,174,151,086 (2022: 8,265,002,799) in issue during the year.

The calculation of the diluted earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) 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 basic and diluted earnings/(loss) per share are based on:

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000 (Restated)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent	**1,379,103**	(831,803)
Less: Cash dividends distributed to the share award scheme	**(349)**	(11,325)
Adjusted profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	**1,378,754**	(843,128)
Cash dividends distributed to the share award scheme	**349**	11,325
Profit/(loss) attributable to ordinary equity holders of the parent, used in the diluted earnings/(loss) per share calculation	**1,379,103**	(831,803)

14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

The calculations of basic and diluted earnings/(loss) per share are based on: *(Continued)*

	Number of shares	
	2023	2022 (Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**8,174,151,086**	8,265,002,799
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	**21,587,073**	–
– Share option scheme	**–**	–
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	**8,195,738,159**	8,265,002,799
Basic earnings/(loss) per share (RMB)	**0.17**	(0.10)
Diluted earnings/(loss) per share (RMB)	**0.17**	(0.10)

For the year ended 31 December 2023

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 during the year ended 31 December 2023.

For the year ended 31 December 2022

Because the restated diluted loss per share amount is decreased when taking the share award/option scheme into account, the share award/option scheme had an anti-dilutive effect on the basic losses per share for the year ended 31 December 2022 and were ignored in the calculation of diluted loss per share.

15. CASH AND BANK BALANCES AND TERM DEPOSITS

	Notes	2023 RMB'000	2022 RMB'000
Cash on hand		**55,867**	27,344
Cash at banks, unrestricted		**73,162,628**	85,446,088
Cash and cash equivalents		**73,218,495**	85,473,432
Pledged bank balances	*(1)*	**10,216,457**	2,606,014
Time deposits with original maturity of more than three months		**7,100,818**	7,853,099
Restricted pre-sale proceeds	*(2)*	**1,446,759**	3,915,461
Required reserve deposits	*(3)*	**477,115**	715,994
Total		**92,459,644**	100,564,000

Notes:

		2023 RMB'000	2022 RMB'000
(1)	Pledged bank balances to secure interest-bearing bank and other borrowings (note 50)	**6,871,900**	1,041,172
	Bank balances as various deposits	**3,344,557**	1,564,842

(2) In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amounts of pre-sale proceeds of properties as guarantee deposits for the construction of related properties. The deposits can only be used for purchases of construction materials and payments of construction fees for the relevant property projects when approval from the PRC State-Owned Land and Resource Bureau is obtained.

(3) Required reserve deposits amounting to RMB477,115,000 (2022: RMB715,994,000) are placed by Shanghai Fosun High Technology Group Finance Co., Ltd. ("Finance Company"), an indirect subsidiary of the Company, with the People's Bank of China ("PBOC"). The reserve deposits with the PBOC are not available for use in the Group's daily operations.

(4) The Group has certain deposits in Tebon Securities Co., Ltd., a company controlled by the ultimate controlling shareholder of the Group. The balance as at 31 December 2023 was RMB77,717,000 (2022: RMB32,075,000).

(5) The Group has certain deposits in Banco Comercial Português, S.A., an associate of the Group. The balance as at 31 December 2023 was RMB58,157,000 (2022: RMB164,903,000).

In the preparation of the consolidated statement of cash flows, pledged bank balances, time deposits with original maturity of more than three months, restricted pre-sale proceeds from properties and required reserve deposits have been excluded from cash and cash equivalents.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

16. LOANS AND ADVANCES TO CUSTOMERS

	2023 RMB'000	2022 RMB'000
Corporate loans and advances		
– Loans and advances	**12,136,721**	11,919,455
Personal loans		
– Mortgages	**1,064,458**	979,017
– Other	**3,240,056**	3,488,722
Subtotal	**4,304,514**	4,467,739
Total	**16,441,235**	16,387,194
Allowance for impairment		
– Corporate loans and advances	**(200,475)**	(78,551)
– Personal loans	**(143,165)**	(145,699)
Subtotal	**(343,640)**	(224,250)
Loans and advances to customers, net	**16,097,595**	16,162,944

	2023 RMB'000	2022 RMB'000
Gross loans and advances to customers	**16,441,235**	16,387,194
Allowance for impairment		
– Individually assessed	**(269,838)**	(179,067)
– Collectively assessed	**(73,802)**	(45,183)
Subtotal	**(343,640)**	(224,250)
Loans and advances to customers, net	**16,097,595**	16,162,944

The movements in the allowance for impairment of loans and advances to customers are as follows:

	Note	2023 RMB'000	2022 RMB'000
As at 1 January		**224,250**	191,675
Allowance for impairment losses	*10*	**116,241**	30,648
Exchange differences		**3,149**	1,927
At 31 December		**343,640**	224,250

17. TRADE AND NOTES RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	**13,676,040**	12,298,558
Notes receivable	**738,126**	901,893
Total	**14,414,166**	13,200,451

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

	2023 RMB'000	2022 RMB'000
Outstanding balances with ages:		
Within 90 days	**10,477,833**	10,233,845
91 to 180 days	**1,124,775**	1,097,546
181 to 365 days	**1,655,346**	683,256
1 to 2 years	**614,929**	479,048
2 to 3 years	**223,907**	198,183
Over 3 years	**235,918**	179,687
Subtotal	**14,332,708**	12,871,565
Less:		
Loss allowance for trade receivables	**656,668**	573,007
Total	**13,676,040**	12,298,558

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023 RMB'000	2022 RMB'000
At the beginning of the year	**573,007**	616,686
Amount written off as uncollectible	**(61,259)**	(228,945)
Disposal of subsidiaries	**(2,036)**	(12,902)
Impairment losses, net	**132,907**	190,936
Exchange realignment	**14,049**	7,232
At the end of the year	**656,668**	573,007

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, the balances are grouped based on credit risk characteristics and the ageing analysis. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

17. TRADE AND NOTES RECEIVABLES *(Continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
31 December 2023					
Expected credit loss rate	**1.04%**	**5.94%**	**15.38%**	**74.64%**	
Gross carrying amount (RMB'000)	**11,602,608**	**1,655,346**	**614,929**	**459,825**	**14,332,708**
Expected credit losses (RMB'000)	**120,482**	**98,405**	**94,571**	**343,210**	**656,668**
31 December 2022					
Expected credit loss rate	1.70%	6.45%	23.74%	59.03%	
Gross carrying amount (RMB'000)	11,331,391	683,256	479,048	377,870	12,871,565
Expected credit losses (RMB'000)	192,138	44,054	113,741	223,074	573,007

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

As at 31 December 2023, the Group's trade and notes receivables with a carrying amount of approximately RMB283,253,000 (31 December 2022: RMB473,279,000) were pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

18. INVENTORIES

	2023 RMB'000	2022 RMB'000
Raw materials	**3,329,798**	4,287,710
Work in progress	**11,629,430**	10,764,528
Finished goods	**11,588,108**	10,827,321
Spare parts and consumables	**238,974**	192,196
Subtotal	**26,786,310**	26,071,755
Less: provision for inventories	**(552,464)**	(422,047)
Total	**26,233,846**	25,649,708
The inventories pledged to secure interest-bearing bank and other borrowings are as follows:		
Net book value pledged (note 50)	**797,680**	929,883

19. PROPERTIES UNDER DEVELOPMENT

	2023 RMB'000	2022 RMB'000
Land cost	**34,330,920**	43,518,798
Construction costs	**6,385,030**	11,796,912
Capitalised finance costs	**6,498,343**	6,763,418
Subtotal	**47,214,293**	62,079,128
Provision for impairment of properties under development	**(438,049)**	–
Total	**46,776,244**	62,079,128

The properties pledged to secure interest-bearing and other borrowings and other liabilities are as follows:

	2023 RMB'000	2022 RMB'000
Net book value pledged (note 50)	**31,545,999**	34,365,862
Additions to properties under development include:		
Interest expense capitalised in respect of bank and other borrowings (note 9)	**952,670**	1,733,940

The Group's properties under development are mainly situated in PRC.

20. CONTRACT ASSETS AND OTHER ASSETS

	2023 RMB'000	2022 RMB'000
Contract assets		
Sales of industrial products	**46,666**	578,354
Provision of research and development services	**147,396**	–
Other assets		
Right-of-return assets	**29,400**	31,133
Others	**5,804**	781
Subtotal	**35,204**	31,914
Total	**229,266**	610,268

The expected timing of recovery or settlement for contract assets and other assets as at 31 December 2023 is as follows:

	2023 RMB'000	2022 RMB'000
Within one year	**229,266**	610,268
More than one year	**–**	–
Total	**229,266**	610,268

21. BALANCES WITH SHAREHOLDERS AND RELATED COMPANIES

	Notes	2023 RMB'000	2022 RMB'000
Due from related companies:			
Associates	(i)/(ii)	**2,644,814**	2,837,208
Joint ventures	(iii)	**15,370,254**	10,092,085
Total		**18,015,068**	12,929,293

Notes:

(i) As at 31 December 2023, the balances due from associates included the amount of RMB916,208,000 (2022: RMB1,181,729,000), which was non-trade in nature, unsecured, interest-free and repayable on demand. The balances due from associates also included the amount of RMB370,962,000 (2022: RMB370,449,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year.

(ii) As at 31 December 2023, the balances due from associates included an amount of RMB1,357,644,000 (2022: RMB1,285,030,000), which was trade in nature, interest-free and repayable on demand.

(iii) As at 31 December 2023, the balances due from joint ventures included an amount of RMB12,066,024,000 (2022: RMB7,318,383,000), which was non-trade in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2023, the balances due from joint ventures included an amount of RMB3,298,783,000 (2022: RMB2,747,711,000), which was non-trade in nature, unsecured, bore interest at a fixed interest rate of 7.00%-8.00% per annum and repayable on demand. The balances due from joint ventures included an amount of RMB5,447,000 (2022: RMB25,991,000), which was trade in nature, interest-free and repayable on demand.

As at 31 December 2023, the balance due from joint ventures included an amount of RMB5,465,000,000 (31 December 2022: nil) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

	Notes	2023 RMB'000	2022 RMB'000
Due to the holding company	(iv)	**244,358**	122,606
Due to the related companies:			
Associates	(v)/(vi)	**1,767,421**	3,596,714
Joint ventures	(vii)	**431,613**	1,507,505
Total		**2,199,034**	5,104,219

(iv) As at 31 December 2023, the balances due to the holding company included an amount of RMB244,358,000(2022: RMB122,606,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year.

(v) As at 31 December 2023, the balances due to associates included an amount of RMB249,128,000 (2022: RMB232,031,000), which was non-trade in nature, unsecured, interest-free and repayable on demand. The balances due to associates as at 31 December 2023 included the amount of RMB1,409,484,000 (2022: RMB1,419,133,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year. The balances due to associates included an amount of RMB973,952,000 in 2022 which was non-trade in nature, unsecured, bore interest at a fixed interest rate of 7.80% per annum.

(vi) The balances due to associates included an amount of RMB108,809,000 (2022: RMB971,598,000), which was trade in nature, interest-free and repayable on demand.

(vii) As at 31 December 2023, the balances due to joint ventures included an amount of RMB431,613,000(2022: RMB895,277,000), which was non-trade in nature, unsecured, interest-free and repayable on demand. The balances due to joint ventures included an amount of RMB612,228,000 in 2022, which was non-trade in nature, interest-free.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2023 RMB'000	2022 RMB'000
Prepayments consist of:		
Prepayments for purchase of pharmaceutical materials	**751,256**	1,451,011
Prepayments for purchase of construction materials	**8,695**	88,402
Prepayments for purchase of tourism services	**758,479**	750,942
Prepayments for purchase of equipment and others	**1,964,390**	2,456,865
Prepaid tax	**3,492,692**	2,861,372
Prepaid expenses	**2,202,559**	1,559,943
Prepayments for the proposed equity investments	**467,314**	1,108,726
Prepayments for the acquisition of the land	**116,228**	7,600
Deposits	**3,267,584**	3,554,265
Other receivables consist of:		
Funding provided to third parties	**4,866,699**	4,990,568
Tax recoverable	**1,393,609**	1,516,627
Receivable for consideration of disposal of equity investments	**2,288,481**	4,525,439
Others	**11,830,400**	11,833,248
	33,408,386	36,705,008
Impairment allowance	**(1,454,702)**	(1,262,687)
Total	**31,953,684**	35,442,321

23. ASSETS/LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	Notes	2023 RMB'000	2022 RMB'000
Carrying amount of the assets classified as held for sale		**2,906,203**	18,030,509
Other long term assets		–	1,786,557
Liabilities directly associated with the assets classified as held for sale		**79,178**	117,467
Assets			
Investment in an joint venture	*(i)*	–	12,810,608
Investment in associates	*(ii)/(iii)/(iv)*	**1,960,436**	6,706,135
Property, plant and equipment (note 32)		**59,678**	80,129
Investment Properties (note 33)		**722,678**	–
Prepayments, deposits and other receivables		**122,256**	188,184
Deferred tax assets (note 42)		**41,155**	32,010
Total		**2,906,203**	19,817,066
Liabilities			
Accrued liabilities and other payables		**79,178**	117,467
Liabilities directly associated with the assets classified as held for sale		**79,178**	117,467

(i) On 4 December 2023, the disposal of the 60% equity interests in Nanjing Nangang Iron & Steel United Co., Ltd ("Nanjing Nangang") has been completed. Upon completion of the disposal, the Group ceased to have any equity interest in Nanjing Nangang.

(ii) As at 31 December 2023, the equity interests of 5.96% in Banco Comercial Português, S.A ("BCP"), an associate of the Group was classified in assets held for sale. BCP is a Portuguese bank whose shares are listed on the Euronext Lisbon. The disposal of 5.96% equity interests in BCP was completed in January 2024. Upon completion of the disposal, the Group still holds 20.03% equity interests in BCP and BCP remains as an associate of the Group.

(iii) In December 2023, the Group completed the disposal of all the equity interests in Tianjin Pharmaceutical Group Co., Ltd. ("Tianjin Pharmaceutical") to a third party. Upon completion of the disposal, the Group ceased to have any equity interest in Tianjin Pharmaceutical.

(iv) On 5 January 2023, the Company and Shanghai Fosun Industrial Technology Development Co., Ltd. (a wholly-owned subsidiary of the Company,"Fosun Industrial Development") entered into the equity transfer agreement with Beijing Camdragon Heavy Industry Group Co., Ltd. ("Camdragon Heavy Industry"), pursuant to which Fosun Industrial Development has agreed to sell and Camdragon Heavy Industry has agreed to purchase, a 25.7033% equity interest in Tianjin Jianlong, a 26.6667% equity interest in Jianlong Steel Holdings Co., Ltd., and a 26.6667% equity interest in Beijing Northern Jianlong Industrial Co., Ltd., the Company has agreed to sell, and Camdragon Investment Co. Ltd. has agreed to purchase a 26.6667% equity interest in Janeboat Holdings Ltd. (the "Tianjin Jianlong Disposals"). The Tianjin Jianlong Disposals were completed in March 2023. The second stage payment of the consideration will be paid in accordance with the agreed detail payment arrangement within 20 years and the amount of RMB1,786,557,000 was recognised in prepayment, other receivables and other assets as at 31 December 2023.

24. DERIVATIVE FINANCIAL INSTRUMENTS

31 December 2023

	Fair value	
Derivatives held for trading	**Assets RMB'000**	**Liabilities RMB'000**
Currency derivatives		
Currency forwards, futures and swaps, and cross-currency interest rate swaps	899,774	1,001,904
Interest rate derivatives		
Interest rate swaps	561,731	243,144
Interest rate futures	–	17,761
Interest rate options	25,327	25,371
Equity derivatives	1,307,491	2,561,756
Other derivatives	583,485	69,881
Subtotal	3,377,808	3,919,817
Qualifying for hedge accounting		
Currency derivatives		
Currency forwards, futures and swaps	107,423	84,179
Interest rate derivatives		
Interest rate swaps	130,445	35,513
Subtotal	237,868	119,692
Total	3,615,676	4,039,509

24. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

31 December 2022

	Fair value	
Derivatives held for trading	Assets RMB'000	Liabilities RMB'000
Currency derivatives		
Currency forwards, futures and swaps, and cross-currency interest rate swaps	1,555,119	1,295,507
Interest rate derivatives		
Interest rate swaps	698,227	188,229
Interest rate futures	42,263	549
Interest rate options	44,877	44,877
Equity derivatives	122,374	573,962
Other derivatives	598,246	881,396
Subtotal	3,061,106	2,984,520
Qualifying for hedge accounting		
Currency derivatives		
Currency forwards, futures and swaps	381,210	134,870
Interest rate derivatives		
Interest rate swaps	95,022	29,353
Subtotal	476,232	164,223
Total	3,537,338	3,148,743

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RMB'000	2022 RMB'000 (Restated)
Listed investments, at fair value	**14,068,921**	18,594,401
Other unlisted investments, at fair value	**38,872,265**	41,369,818
Total	**52,941,186**	59,964,219
Analysed as:		
Equity investments	**42,219,961**	48,442,906
Debt investments	**10,721,225**	11,521,313
Total	**52,941,186**	59,964,219

As at 31 December 2023, the Group's financial assets at fair value through profit or loss with a carrying amount of RMB11,221,408,000 (31 December 2022: RMB3,859,468,000) were pledged to secure interest-bearing bank and other borrowings and other liabilities.

As at 31 December 2023, the Group's financial assets at fair value through profit or loss with a carrying amount of RMB1,424,714,000 (31 December 2022: RMB1,127,529,000) were pledged to secure assets sold under agreements to repurchase, as set out in note 44 to the financial statements.

26. FINANCE LEASE RECEIVABLES

Total future minimum lease receivables under finance leases and their present values are as follows:

	2023 RMB'000	2022 RMB'000
Gross lease receivables:		
Within one year	**246,067**	331,210
In the second year	**200,655**	264,067
In the third to fifth years, inclusive	**495,695**	404,593
Total minimum finance lease receivables	**942,417**	999,870
Unearned finance income	**(158,722)**	(122,662)
Future value-added tax	**(23,626)**	(43,753)
Provision for lease receivables	**(60,524)**	(43,893)
Total	**699,545**	789,562

As at 31 December 2023, the Group's finance lease receivables with a carrying amount of RMB374,492,000 (2022: RMB129,044,000) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

The movements in the allowance for impairment of finance lease receivables are as follows:

	2023 RMB'000	2022 RMB'000
At 1 January	**43,893**	35,572
Additions (note 10)	**49,541**	13,093
Written off	**(32,910)**	(4,772)
At 31 December	**60,524**	43,893

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

2023	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Liability for remaining coverage				Liability for remaining coverage	Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurred claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Insurance contract liabilities as at 31 December 2022 (restated)	18,612,451	952,328	17,006,144	36,570,923	4,408,029	17,512,822	713,738	22,634,589	59,205,512
Insurance contract assets as at 31 December 2022 (restated)	2,768,284	(93,266)	(1,807,762)	867,256	927,608	(19,818)	–	907,790	1,775,046
Net insurance contract liabilities/(assets) as at 31 December 2022	15,844,167	1,045,594	18,813,906	35,703,667	3,480,421	17,532,640	713,738	21,726,799	57,430,466
Insurance revenue	(12,629,177)	–	–	(12,629,177)	(24,297,279)	–	–	(24,297,279)	(36,926,456)
Contracts under the fair value transition approach	(1,670,938)	–	–	(1,670,938)	–	–	–	–	(1,670,938)
Contracts other than those to which fair value approach or modified retrospective approach are applied	(10,958,239)	–	–	(10,958,239)	(24,297,279)	–	–	(24,297,279)	(35,255,518)
Insurance services expenses	(3,103,019)	(346,583)	13,509,090	10,059,488	4,551,523	16,409,807	49,764	21,011,094	31,070,582
Incurred claims and other expenses	–	(2,085,754)	14,099,701	12,013,947	–	19,814,071	332,663	20,146,734	32,160,681
Amortisation of insurance acquisition cash flows	479,883	–	–	479,883	4,551,608	–	–	4,551,608	5,031,491
Losses on onerous contracts and reversals of those losses	–	1,739,171	–	1,739,171	–	–	–	–	1,739,171
Changes to liabilities for incurred claims	–	–	(4,173,513)	(4,173,513)	–	(3,404,349)	(282,899)	(3,687,248)	(7,860,761)
Investment components	(3,582,902)	–	3,582,902	–	(85)	85	–	–	–
Insurance service result	(15,732,196)	(346,583)	13,509,090	(2,569,689)	(19,745,756)	16,409,807	49,764	(3,286,185)	(5,855,874)
Insurance finance income or expenses	1,480,150	65,797	187,225	1,733,172	(24,526)	1,198,810	28,699	1,202,983	2,936,155
Effect of movements in exchange rates	1,051,011	(15,732)	352,403	1,387,682	25,145	1,101,036	41,280	1,167,461	2,555,143
Total changes in the statement of comprehensive income	(13,201,035)	(296,518)	14,048,718	551,165	(19,745,137)	18,709,653	119,743	(915,741)	(364,576)

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2023	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Liability for remaining coverage				Liability for remaining coverage	Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurred claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Cash flows:									
Premiums received	14,637,947	–	–	14,637,947	24,018,820	–	–	24,018,820	38,656,767
Insurance acquisition cash flow	(3,290,334)	–	–	(3,290,334)	(4,708,649)	–	–	(4,708,649)	(7,998,983)
Claims and other insurance service expenses paid, including investment components	–	–	(11,551,106)	(11,551,106)	–	(15,165,070)	–	(15,165,070)	(26,716,176)
Total cash flow	11,347,613	–	(11,551,106)	(203,493)	19,310,171	(15,165,070)	–	4,145,101	3,941,608
Net insurance contract liabilities/(assets) as at 31 December 2023	13,990,745	749,076	21,311,518	36,051,339	3,045,455	21,077,223	833,481	24,956,159	61,007,498
Insurance contract liabilities as at 31 December 2023	16,742,342	626,187	19,580,211	36,948,740	3,971,667	21,057,407	833,481	25,862,555	62,811,295
Insurance contract assets as at 31 December 2023	2,751,597	(122,889)	(1,731,307)	897,401	926,212	(19,816)	–	906,396	1,803,797

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2022	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Liability for remaining coverage				Liability for remaining coverage	Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurred claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2022 (restated)	21,768,865	418,862	13,639,660	35,827,387	5,365,386	28,471,141	642,717	34,479,244	70,306,631
Insurance contract assets as at 1 January 2022 (restated)	1,727,926	(39,269)	(1,024,726)	663,931	829,831	4,696,092	–	5,525,923	6,189,854
Net insurance contract liabilities/(assets) as at 1 January 2022	20,040,939	458,131	14,664,386	35,163,456	4,535,555	23,775,049	642,717	28,953,321	64,116,777
Insurance revenue	(13,808,536)	–	–	(13,808,536)	(25,244,100)	–	–	(25,244,100)	(39,052,636)
Contracts under the fair value transition approach	(1,560,980)	–	–	(1,560,980)	–	–	–	–	(1,560,980)
Contracts other than those to which fair value approach or modified retrospective approach are applied	(12,247,556)	–	–	(12,247,556)	(25,244,100)	–	–	(25,244,100)	(37,491,656)
Insurance services expenses	(1,884,575)	589,617	16,228,870	14,933,912	5,307,214	15,853,527	94,555	21,255,296	36,189,208
Incurred claims and other expenses	–	(2,084,101)	25,698,217	23,614,116	–	15,444,797	253,722	15,698,519	39,312,635
Amortisation of insurance acquisition cash flows	485,247	–	–	485,247	5,317,123	–	–	5,317,123	5,802,370
Losses on onerous contracts and reversals of those losses	–	2,673,718	–	2,673,718	–	–	–	–	2,673,718
Changes to liabilities for incurred claims	–	–	(11,839,169)	(11,839,169)	–	398,821	(159,167)	239,654	(11,599,515)
Investment components	(2,369,822)	–	2,369,822	–	(9,909)	9,909	–	–	–
Insurance service result	(15,693,111)	589,617	16,228,870	1,125,376	(19,936,886)	15,853,527	94,555	(3,988,804)	(2,863,428)
Insurance finance income or expenses	(724,866)	(63,999)	(2,008,251)	(2,797,116)	59,973	(2,052,502)	(44,130)	(2,036,659)	(4,833,775)
Effect of movements in exchange rates	223,336	61,845	1,420,102	1,705,283	5,934,669	(5,522,851)	20,596	432,414	2,137,697
Total changes in the statement of comprehensive income	(16,194,641)	587,463	15,640,721	33,543	(13,942,244)	8,278,174	71,021	(5,593,049)	(5,559,506)

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2022	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Liability for remaining coverage				Liability for remaining coverage	Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurred claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Cash flows:									
Premiums received	14,837,389	–	–	14,837,389	21,433,162	845,051	–	22,278,213	37,115,602
Insurance acquisition cash flow	(2,839,520)	–	–	(2,839,520)	(4,131,262)	–	–	(4,131,262)	(6,970,782)
Claims and other insurance service expenses paid, including investment components	–	–	(11,491,201)	(11,491,201)	–	(11,298,717)	–	(11,298,717)	(22,789,918)
Total cash flow	11,997,869	–	(11,491,201)	506,668	17,301,900	(10,453,666)	–	6,848,234	7,354,902
Disposal	–	–	–	–	(4,414,790)	(4,066,917)	–	(8,481,707)	(8,481,707)
Net insurance contract liabilities/(assets) as at 31 December 2022	15,844,167	1,045,594	18,813,906	35,703,667	3,480,421	17,532,640	713,738	21,726,799	57,430,466
Insurance contract liabilities as at 31 December 2022 (restated)	18,612,451	952,328	17,006,144	36,570,923	4,408,029	17,512,822	713,738	22,634,589	59,205,512
Insurance contract assets as at 31 December 2022 (restated)	2,768,284	(93,266)	(1,807,762)	867,256	927,608	(19,818)	–	907,790	1,775,046

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(2) The analysis of contractual service margin for insurance contracts not measured under the premium allocation approach is as follows:

2023			CSM		
	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Contracts under fair value transition approach RMB'000	Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Insurance contract liabilities as at 31 December 2022 (restated)	30,314,328	2,036,186	3,281,660	938,749	36,570,923
Insurance contract assets as at 31 December 2022 (restated)	1,244,808	(160,756)	–	(216,796)	867,256
Net insurance contract liabilities/(assets) as at 31 December 2022	29,069,520	2,196,942	3,281,660	1,155,545	35,703,667
Changes that relate to current services	2,091,092	(97,873)	(542,042)	(1,586,524)	(135,347)
Contractual service margin recognised for services provided	–	–	(542,042)	(1,586,524)	(2,128,566)
Changes in risk adjustment for non-financial risk	–	(97,873)	–	–	(97,873)
Experience adjustments	2,091,092	–	–	–	2,091,092
Changes that relate to future services	(581,845)	332,201	394,280	1,594,535	1,739,171
Contracts initially recognised in the period	(1,884,329)	382,850	293,097	1,286,701	78,319
Changes in estimates that adjust the contractual service margin	(326,160)	(82,857)	101,183	307,834	–
Changes in estimates that do not adjust the contractual service margin	1,628,644	32,208	–	–	1,660,852
Changes that relate to past services	(3,708,174)	(465,339)	–	–	(4,173,513)
Adjustments to liabilities for incurred claims	(3,708,174)	(465,339)	–	–	(4,173,513)
Insurance service result	(2,198,927)	(231,011)	(147,762)	8,011	(2,569,689)
Insurance finance income or expenses	1,545,637	120,374	41,891	25,270	1,733,172
Effect of movements in exchange rates	1,121,399	56,718	189,783	19,782	1,387,682
Total changes in the statement of comprehensive income	468,109	(53,919)	83,912	53,063	551,165
Cash flows:					
Premiums paid	14,637,947	–	–	–	14,637,947
Insurance acquisition cash flow	(3,290,334)	–	–	–	(3,290,334)
Claims and other insurance service expenses paid, including investment components	(11,551,106)	–	–	–	(11,551,106)
Total cash flow	(203,493)	–	–	–	(203,493)
Net insurance contract liabilities/(assets) as at 31 December 2023	29,334,135	2,143,023	3,365,572	1,208,608	36,051,338
Insurance contract liabilities as at 31 December 2023	30,749,427	1,987,841	3,365,572	845,900	36,948,740
Insurance contract assets as at 31 December 2023	1,415,292	(155,182)	–	(362,708)	897,402

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(2) The analysis of contractual service margin for insurance contracts not measured under the premium allocation approach is as follows: *(Continued)*

2022	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	CSM Contracts under fair value transition approach RMB'000	CSM Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2022 (restated)	29,531,535	1,716,306	3,734,201	845,345	35,827,387
Insurance contract assets as at 1 January 2022 (restated)	948,824	(103,949)	–	(180,944)	663,931
Net insurance contract liabilities/(assets) as at 1 January 2022	28,582,711	1,820,255	3,734,201	1,026,289	35,163,456
Changes that relate to current services	12,567,994	82,403	(477,312)	(1,882,258)	10,290,827
Contractual service margin recognised for services provided	–	–	(477,312)	(1,882,258)	(2,359,570)
Changes in risk adjustment for non-financial risk	–	82,403	–	–	82,403
Experience adjustments	12,567,994	–	–	–	12,567,994
Changes that relate to future services	253,278	730,686	(172,001)	1,861,755	2,673,718
Contracts initially recognised in the period	(2,090,266)	775,304	191,673	1,327,472	204,183
Changes in estimates that adjust the contractual service margin	(88,040)	(82,569)	(363,674)	534,283	–
Changes in estimates that do not adjust the contractual service margin	2,431,584	37,951	–	–	2,469,535
Changes that relate to past services	(11,375,053)	(464,116)	–	–	(11,839,169)
Adjustments to liabilities for incurred claims	(11,375,053)	(464,116)	–	–	(11,839,169)
Insurance service result	1,446,219	348,973	(649,313)	(20,503)	1,125,376
Insurance finance income or expenses	(2,853,974)	(114,978)	118,077	53,759	(2,797,116)
Effect of movements in exchange rates	1,387,896	142,692	78,695	96,000	1,705,283
Total changes in the statement of comprehensive income	(19,859)	376,687	(452,541)	129,256	33,543
Cash flows:					
Premiums paid	14,837,389	–	–	–	14,837,389
Insurance acquisition cash flow	(2,839,520)	–	–	–	(2,839,520)
Claims and other insurance service expenses paid, including investment components	(11,491,201)	–	–	–	(11,491,201)
Total cash flow	506,668	–	–	–	506,668
Net insurance contract liabilities/(assets) as at 31 December 2022	29,069,520	2,196,942	3,281,660	1,155,545	35,703,667
Insurance contract liabilities as at 31 December 2022 (restated)	30,314,328	2,036,186	3,281,660	938,749	36,570,923
Insurance contract assets as at 31 December 2022 (restated)	1,244,808	(160,756)	–	(216,796)	867,256

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(3) The analysis of reinsurance contract assets for remaining coverage and liabilities for incurred claims is as follows:

2023	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Assets for remaining coverage				Asset for remaining coverage	Assets for incurred claims			
	Excluding loss-recovery component RMB'000	Loss-recovery component RMB'000	Assets for incurred claims RMB'000	Sub-total RMB'000	Excluding loss-recovery component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Reinsurance contract liabilities as at 31 December 2022 (restated)	2,414,707	(7,866)	(1,770,716)	636,125	–	2,881,161	–	2,881,161	3,517,286
Reinsurance contract assets as at 31 December 2022 (restated)	(1,081,084)	239,352	3,950,473	3,108,741	1,942,299	3,601,157	189,373	5,732,829	8,841,570
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(3,495,791)	247,218	5,721,189	2,472,616	1,942,299	719,996	189,373	2,851,668	5,324,284
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(1,686,624)	1,993	904,574	(780,057)	(8,720,542)	6,861,602	9,472	(1,849,468)	(2,629,525)
Effect of changes in non-performance risk of reinsurers	1,387	–	5,109	6,496	–	19,462	–	19,462	25,958
Reinsurance investment components	(289,611)	–	289,611	–	–	–	–	–	–
Reinsurance service result	(1,974,848)	1,993	1,199,294	(773,561)	(8,720,542)	6,881,064	9,472	(1,830,006)	(2,603,567)
Reinsurance finance income or expenses	(4,491)	2,769	73,798	72,076	(43,607)	194,692	6,658	157,743	229,819
Effect of movements in exchange rates	(48,704)	4,220	85,875	41,391	116,660	55,718	11,668	184,046	225,437
Total changes in the statement of comprehensive income	(2,028,043)	8,982	1,358,967	(660,094)	(8,647,489)	7,131,474	27,798	(1,488,217)	(2,148,311)
Cash flows:									
Premiums paid	3,064,343	–	–	3,064,343	8,849,263	–	–	8,849,263	11,913,606
Amounts received	–	–	(2,458,373)	(2,458,373)	–	(6,616,845)	–	(6,616,845)	(9,075,218)
Total cash flow	3,064,343	–	(2,458,373)	605,970	8,849,263	(6,616,845)	–	2,232,418	2,838,388
Net insurance contract assets/(liabilities) as at 31 December 2023	(2,459,491)	256,200	4,621,783	2,418,492	2,144,073	1,234,625	217,171	3,595,869	6,014,361
Reinsurance contract liabilities as at 31 December 2023	532,845	(15,924)	(222,511)	294,410	–	2,808,806	–	2,808,806	3,103,216
Reinsurance contract assets as at 31 December 2023	(1,926,646)	240,276	4,399,272	2,712,902	2,144,073	4,043,431	217,171	6,404,675	9,117,577

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(3) The analysis of reinsurance contract assets for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2022	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Assets for remaining coverage				Asset for remaining coverage	Assets for incurred claims			
	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Sub-total	Excluding loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Sub-total	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Reinsurance contract liabilities as at 1 January 2022 (restated)	113,108	(1,149)	(20,900)	91,059	–	2,114,109	–	2,114,109	2,205,168
Reinsurance contract assets as at 1 January 2022 (restated)	(1,430,006)	264,154	4,313,819	3,147,967	1,602,086	3,028,594	159,483	4,790,163	7,938,130
Net reinsurance contract assets/(liabilities) as at 1 January 2022	(1,543,114)	265,303	4,334,719	3,056,908	1,602,086	914,485	159,483	2,676,054	5,732,962
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(3,262,191)	(15,769)	2,173,952	(1,104,008)	(7,810,511)	6,350,558	23,803	(1,436,150)	(2,540,158)
Effect of changes in non-performance risk of reinsurers	2,838	–	367	3,205	–	7,782	–	7,782	10,987
Reinsurance investment components	(35,944)	–	35,944	–	–	–	–	–	–
Reinsurance service result	(3,295,297)	(15,769)	2,210,263	(1,100,803)	(7,810,511)	6,358,340	23,803	(1,428,368)	(2,529,171)
Reinsurance finance income or expenses	(6,050)	(25,331)	(96,073)	(127,454)	36,317	(100,318)	395	(63,606)	(191,060)
Effect of movements in exchange rates	(203,328)	23,015	432,357	252,044	60,054	15,314	5,692	81,060	333,104
Total changes in the statement of comprehensive income	(3,504,675)	(18,085)	2,546,547	(976,213)	(7,714,140)	6,273,336	29,890	(1,410,914)	(2,387,127)
Cash flows:									
Premiums paid	1,551,998	–	–	1,551,998	8,054,353	–	–	8,054,353	9,606,351
Amounts received	–	–	(1,160,077)	(1,160,077)	–	(6,467,825)	–	(6,467,825)	(7,627,902)
Total cash flow	1,551,998	–	(1,160,077)	391,921	8,054,353	(6,467,825)	–	1,586,528	1,978,449
Net insurance contract assets/(liabilities) as at 31 December 2022	(3,495,791)	247,218	5,721,189	2,472,616	1,942,299	719,996	189,373	2,851,668	5,324,284
Reinsurance contract liabilities as at 31 December 2022 (restated)	2,414,707	(7,866)	(1,770,716)	636,125	–	2,881,161	–	2,881,161	3,517,286
Reinsurance contract assets as at 31 December 2022 (restated)	(1,081,084)	239,352	3,950,473	3,108,741	1,942,299	3,601,157	189,373	5,732,829	8,841,570

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(4) The analysis of contractual service margin for reinsurance contracts not measured under the premium allocation approach is as follows:

2023	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	CSM Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Reinsurance contract liabilities as at 31 December 2022 (restated)	727,196	(27,015)	(64,056)	636,125
Reinsurance contract assets as at 31 December 2022 (restated)	2,928,466	187,791	(7,516)	3,108,741
Net reinsurance contract assets/(liabilities) as at 31 December 2022	2,201,270	214,806	56,540	2,472,616
Changes that relate to current services	1,107,984	(46,600)	(672,298)	389,086
Contractual service margin recognised for services provided	–	–	(672,298)	(672,298)
Changes in risk adjustment for non-financial risk	–	(46,600)	–	(46,600)
Experience adjustments	1,107,984	–	–	1,107,984
Changes that relate to future services	(650,450)	60,182	591,827	1,559
Contracts initially recognised in the period	(730,684)	52,060	680,183	1,559
Changes in estimates that adjust the contractual service margin	80,234	8,122	(88,356)	–
Changes that relate to past services	(1,054,543)	(116,159)	–	(1,170,702)
Effect of changes in non-performance risk of reinsurers	6,496	–	–	6,496
Reinsurance service result	(590,513)	(102,577)	(80,471)	(773,561)
Reinsurance finance income or expenses	52,765	7,928	11,383	72,076
Effect of movements in exchange rates	37,711	3,110	570	41,391
Total changes in the statement of comprehensive income	(500,037)	(91,539)	(68,518)	(660,094)
Cash flows:				
Premiums paid	3,064,343	–	–	3,064,343
Amounts received	(2,458,373)	–	–	(2,458,373)
Total cash flow	605,970	–	–	605,970
Net reinsurance contract assets/(liabilities) as at 31 December 2023	2,307,203	123,267	(11,978)	2,418,492
Reinsurance contract liabilities as at 31 December 2023	300,974	(15,542)	8,978	294,410
Reinsurance contract assets as at 31 December 2023	2,608,177	107,725	(3,000)	2,712,902

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(4) The analysis of contractual service margin for reinsurance contracts not measured under the premium allocation approach is as follows: *(Continued)*

2022	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	CSM Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Reinsurance contract liabilities as at 1 January 2022 (restated)	108,125	(1,820)	(15,246)	91,059
Reinsurance contract assets as at 1 January 2022 (restated)	2,834,276	256,320	57,371	3,147,967
Net reinsurance contract assets/(liabilities) as at 1 January 2022	2,726,151	258,140	72,617	3,056,908
Changes that relate to current services	915,949	(12,630)	(688,728)	214,591
Contractual service margin recognised for services provided	–	–	(688,728)	(688,728)
Changes in risk adjustment for non-financial risk	–	(12,630)	–	(12,630)
Experience adjustments	915,949	–	–	915,949
Changes that relate to future services	(730,397)	60,123	674,402	4,128
Contracts initially recognised in the period	(643,248)	38,329	609,047	4,128
Changes in estimates that adjust the contractual service margin	(87,149)	21,794	65,355	–
Changes that relate to past services	(1,216,805)	(105,922)	–	(1,322,727)
Effect of changes in non-performance risk of reinsurers	3,205	–	–	3,205
Reinsurance service result	(1,028,048)	(58,429)	(14,326)	(1,100,803)
Reinsurance finance income or expenses	(113,394)	(6,399)	(7,661)	(127,454)
Effect of movements in exchange rates	224,640	21,494	5,910	252,044
Total changes in the statement of comprehensive income	(916,802)	(43,334)	(16,077)	(976,213)
Cash flows:				
Premiums paid	1,551,998	–	–	1,551,998
Amounts received	(1,160,077)	–	–	(1,160,077)
Total cash flow	391,921	–	–	391,921
Net reinsurance contract assets/(liabilities) as at 31 December 2022	2,201,270	214,806	56,540	2,472,616
Reinsurance contract liabilities as at 31 December 2022 (restated)	727,196	(27,015)	(64,056)	636,125
Reinsurance contract assets as at 31 December 2022 (restated)	2,928,466	187,791	(7,516)	3,108,741

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(5) The effect of the measurement components of insurance contracts arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognised in the period is as follows:

2023	**Insurance contracts issued**		**Total**
	Non-onerous contracts RMB'000	**Onerous contracts RMB'000**	**RMB'000**
Insurance acquisition cash flows	**(449,354)**	**(18,761)**	**(468,115)**
Claims and other directly attributable expenses	**(11,174,649)**	**(939,491)**	**(12,114,140)**
Estimates of present value of cash outflows	**(11,624,003)**	**(958,252)**	**(12,582,255)**
Estimates of present value of cash inflows	**13,555,607**	**910,977**	**14,466,584**
Risk adjustment for non-financial risk	**(351,806)**	**(31,044)**	**(382,850)**
CSM	**(1,579,798)**	**–**	**(1,579,798)**
Losses recognised on initial recognition	**–**	**(78,319)**	**(78,319)**

2022	Insurance contracts issued		Total
	Non-onerous contracts RMB'000	Onerous contracts RMB'000	RMB'000
Insurance acquisition cash flows	(743,079)	(30,783)	(773,862)
Claims and other directly attributable expenses	(16,418,785)	(2,322,896)	(18,741,681)
Estimates of present value of cash outflows	(17,161,864)	(2,353,679)	(19,515,543)
Estimates of present value of cash inflows	19,410,092	2,195,717	21,605,809
Risk adjustment for non-financial risk	(729,083)	(46,221)	(775,304)
CSM	(1,519,145)	–	(1,519,145)
Losses recognised on initial recognition	–	(204,183)	(204,183)

(6) The disclosure of when the CSM of insurance/reinsurance contracts is expected to be in profit or loss in future years is as follows:

Insurance contracts issued	**2023 RMB'000**	2022 RMB'000
Within 3 years	**1,921,120**	1,983,123
More than 3 years	**2,653,060**	2,454,082
Total	**4,574,180**	4,437,205

Reinnsurance contracts held	**2023 RMB'000**	2022 RMB'000
Within 3 years	**(4,511)**	58,234
More than 3 years	**(7,467)**	(1,694)
Total	**(11,978)**	56,540

28. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 RMB'000	2022 RMB'000
Bonds		
Government bonds	**25,496,159**	21,023,493
Corporate bonds	**45,090,138**	40,593,812
Financial bonds	**1,258,111**	1,259,176
Notes receivable	**629,237**	658,403
Total	**72,473,645**	63,534,884
Listed debt investments, at fair value	**67,977,042**	59,419,122
Unlisted debt investments, at fair value	**4,496,603**	4,115,762
Total	**72,473,645**	63,534,884

Analysis of the movements of allowance for ECLs:

	2023 RMB'000	2022 RMB'000
As at the beginning of the year	**693,238**	697,044
Charge for the year	**110,659**	60,385
Amounts written off	**(16,344)**	(60,505)
Foreign exchange adjustments	**12,613**	(3,686)
At the end of the year	**800,166**	693,238

As at 31 December 2023, the Group's debt investments at fair value through other comprehensive income with a carrying amount of RMB38,491,000 (2022: nil) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

29. DEBT INVESTMENTS AT AMORTISED COST

	Note	2023 RMB'000	2022 RMB'000
Debt investments			
Bonds			
Government bonds		12,718,261	11,758,171
Financial bonds		11,446,146	7,984,958
Corporate bonds		506,025	542,314
Assets held under reverse repurchase agreements		–	13,870
Loans receivable	(i)	4,968,462	4,892,259
Subtotal		29,638,894	25,191,572
Impairment allowance		(238,598)	(19,749)
Total		29,400,296	25,171,823

At 31 December 2023, the Group's debt investments at amortised cost with a carrying amount of RMB841,986,000 (31 December 2022: RMB769,773,000) were pledged for refinancing operations and those of RMB7,130,186,000 (31 December 2022: RMB6,117,110,000) were restricted as a result of the security lending business.

Note:

(i) The details of the loans and receivables are set out as follows:

	Notes	2023 Effective interest rate (%)	2023 Maturity	2023 RMB'000	2022 Effective interest rate (%)	2022 Maturity	2022 RMB'000
To be recovered within 12 months							
Loans receivable from related parties – unsecured	(1)	0-8.0	On demand or mature in 2024	3,458,160	0-3.5	On demand or mature in 2023	3,443,625
Loans receivable from third parties – secured		10	On demand	12,600	10	On demand	32,600
Loans receivable from third parties – unsecured		0-9.5	On demand or mature in 2024	663,762	0-9.5	On demand or mature in 2023	666,063
Subtotal				4,134,522			4,142,288
To be recovered more than 12 months							
Loans receivable from related parties – unsecured	(2)	4.73	No fixed terms	196,743	4.73	2024	121,139
Loans receivable from third parties – secured		1-7.98	No fixed terms or 2025	518,016	1-7.98	No fixed terms or 2024	516,625
Loans receivable from third parties – unsecured		1-6	No fixed terms or from 2025 to 2041	119,181	1-6	No fixed terms or from 2024 to 2040	112,207
Subtotal				833,940			749,971
Total				4,968,462			4,892,259

29. DEBT INVESTMENTS AT AMORTISED COST *(Continued)*

Note: *(Continued)*

(i) The details of the loans and receivables are set out as follows: *(Continued)*

Notes:

(1) As at 31 December 2023, the portion of loans receivable from related parties expected to be recovered within 12 months comprises:

- a shareholders' loan of RMB871,199,000 provided to Acacias Property S.à r.l Limited, a joint venture, which is unsecured, bears interest at a fixed interest rate of 3.50% per annum and is repayable on demand.
- a shareholders' loan of RMB2,369,667,000 provided to Shanghai Fuyi Industrial Development Co., Ltd, a joint venture, which is unsecured, interest-free and is repayable on demand.
- a shareholders' loan of RMB147,624,000 provided to FPH Europe Holdings III (HK) Limited, a joint venture, which is unsecured, bears interest at a fixed interest rate of 3.50% per annum and is repayable on demand.
- a shareholders' loan of RMB69,670,000 provided to Jiewei New Energy Technology (Huzhou) Co., Ltd. an associates, which is unsecured, bears interest at a fixed interest rate of 8.00% per annum and is repayable in 2024.

(2) As at 31 December 2023, the portion of loans receivable from related parties expected to be recovered more than 12 months comprises:

- a shareholders' loan of RMB196,743,000 provided to Fosun Kite Biotechnology Co., Ltd., a joint venture, which is unsecured, bears interest at a fixed interest rate of 4.73% per annum and is repayable with no fixed terms.

30. POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF UNIT-LINKED CONTRACTS

	2023 **RMB'000**	2022 RMB'000
Financial assets designated as at fair value through profit or loss:		
Debt instruments	**12,465,897**	8,563,556
Equity instruments	**259,407**	974,333
Investment funds	**14,507,039**	11,778,320
Other derivatives	**911,179**	847,585
Sight deposits	**407,721**	789,594
Term deposits	**4,218**	7,856
Others	**887,309**	315,596
Total	**29,442,770**	23,276,840

The above assets are held for policyholders of unit-linked products.

31. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 RMB'000	2022 RMB'000 (Restated)
Listed equity investments, at fair value	2,511,377	2,664,740
Unlisted equity investments, at fair value	185,165	98,887
Total	2,696,542	2,763,627

In 2023 the Group disposed certain equity investments designated at fair value through other comprehensive income at the fair value of RMB147,818,000, resulting from an adjustment in its investment strategy.

The dividend income related to equity investments designated at fair value through other comprehensive income recognised for the year was RMB159,312,000 (2022: RMB145,737,000) as disclosed in note 6.

32. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Mining infrastructure RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:								
At 1 January 2022	29,885,438	10,588,885	2,717,324	395,943	907,965	1,338,552	5,452,260	51,286,367
Additions	299,639	1,082,587	409,487	53,205	492,618	–	4,452,210	6,789,746
Transfer from construction in progress	1,106,122	803,373	141,565	3,858	71,580	1,284	(2,127,782)	–
Transfer from investment properties (note 33)	319,514	–	–	–	–	–	–	319,514
Transfer to investment properties (note 33)	(22,952)	–	–	–	–	–	–	(22,952)
Acquisition of subsidiaries	2,302,666	265,288	69,802	1,740	149,895	–	401,933	3,191,324)
Disposal of subsidiaries (note 56(b))	(2,720,023)	(361,446)	(159,614)	(28,705)	(26,331)	–	(36,177)	(3,332,296)
Disposals	(1,476,671)	(759,367)	(159,303)	(75,421)	(273,724)	(42,979)	(446,100)	(3,233,565)
Included in assets classified as held for sale (note 23)	–	(242,235)	–	–	–	–	–	(242,235)
Exchange realignment	410,072	113,244	55,007	11,075	206,516	–	11,884	807,798
At 31 December 2022 and 1 January 2023	30,103,805	11,490,329	3,074,268	361,695	1,528,519	1,296,857	7,708,228	55,563,701
Additions	1,088,696	713,826	336,709	181,576	295,057	–	5,925,875	8,541,739
Transfer from construction in progress	3,834,453	842,804	460,383	213,802	225,676	–	(5,577,118)	–
Transfer from properties under development	864,393	–	–	–	–	–	–	864,393
Transfer from investment properties (note 33)	489,972	115,213	22,782	11,228	–	–	–	639,195
Transfer to investment properties	(1,081,474)	–	–	–	–	–	(262,182)	(1,343,656)
Acquisition of subsidiaries (note 56(a))	2,777,346	2,671,631	163,053	23,684	277,927	–	167,095	6,080,736
Disposal of subsidiaries (note 56(b))	(689,900)	(232,277)	(31,297)	(92,338)	(1,858)	–	(25,282)	(1,072,952)
Disposals	(723,838)	(866,036)	(206,904)	(307,479)	(417,219)	(15,789)	(147,650)	(2,684,915)
Included in assets classified as held for sale (note 23)	(287,485)	–	–	–	–	–	–	(287,485)
Exchange realignment	528,565	256,744	98,672	77,280	50,898	–	18,370	1,030,529
At 31 December 2023	36,904,533	14,992,234	3,917,666	469,448	1,959,000	1,281,068	7,807,336	67,331,285

32. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Mining infrastructure RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation:								
At 1 January 2022	3,908,704	3,553,284	462,326	291,178	127,286	134,989	–	8,477,767
Charge for the year (note 10)	1,255,105	1,501,713	322,048	71,874	425,748	13,272		3,589,760
Transfer to investment properties (note 33)	(9,014)	–	–	–	–	–	–	(9,014)
Disposal of subsidiaries (note 56(b))	(774,118)	(212,415)	(111,464)	(20,339)	(15,839)	–	–	(1,134,175)
Disposals	(547,090)	(725,335)	(98,306)	(62,814)	(230,640)	(31,450)	–	(1,695,635)
Included in assets classified as held for sale (note 23)	–	(162,106)	–	–	–	–	–	(162,106)
Exchange realignment	189,075	94,324	43,229	8,210	95,512	–	–	430,350
At 31 December 2022 and 1 January 2023	**4,022,662**	**4,049,465**	**617,833**	**288,109**	**402,067**	**116,811**	**–**	**9,496,947**
Charge for the year (note 10)	**1,315,513**	**1,412,189**	**498,883**	**208,285**	**460,742**	**41,172**	**–**	**3,936,784**
Transfer to investment properties	**(117,610)**	**–**	**–**	**–**	**–**	**–**	**–**	**(117,610)**
Disposal of subsidiaries (note 56(b))	**(370,466)**	**(147,927)**	**(13,396)**	**(78,134)**	**(1,850)**	**–**	**–**	**(611,773)**
Disposals	**(279,219)**	**(545,455)**	**(116,576)**	**(162,636)**	**(343,411)**	**(6,373)**	**–**	**(1,453,670)**
Included in assets classified as held for sale (note 23)	**(227,807)**	**–**	**–**	**–**	**–**	**–**	**–**	**(227,807)**
Exchange realignment	**292,597**	**149,719**	**100,199**	**57,710**	**41,889**	**–**	**–**	**642,114**
At 31 December 2023	**4,635,670**	**4,917,991**	**1,086,943**	**313,334**	**559,437**	**151,610**	**–**	**11,664,985**
Impairment loss								
At 1 January 2022	164,774	150,181	6,830	620	251	7,537	90,874	421,067
Charge for the year (note 10)	47,366	9,133	1,132	239	–	–	–	57,870
Transfer to investment properties (note 33)	(834)	–	–	–	–	–	–	(834)
Disposals	(79,650)	(1,739)	–	–	–	(7,537)	–	(88,926)
Exchange realignment	7,820	1,063	237	(16)	270	–	–	9,374
At 31 December 2022 and 1 January 2023	**139,476**	**158,638**	**8,199**	**843**	**521**	**–**	**90,874**	**398,551**
Charge for the year (note 10)	**37,127**	**5,891**	**1,312**	**6**	**587**	**888**	**1,445**	**47,256**
Disposals	**(31,134)**	**(273)**	**–**	**(187)**	**(1,719)**		**(1,013)**	**(34,326)**
Exchange realignment	**(5,064)**	**21,335**	**4,987**	**5,494**	**1,366**	**–**	**–**	**28,118**
At 31 December 2023	**140,405**	**185,591**	**14,498**	**6,156**	**755**	**888**	**91,306**	**439,599**
Net book value:								
At 31 December 2023	**32,128,458**	**9,888,652**	**2,816,225**	**149,958**	**1,398,808**	**1,128,570**	**7,716,030**	**55,226,701**
At 31 December 2022	25,941,667	7,282,226	2,448,236	72,743	1,125,931	1,180,046	7,617,354	45,668,203

32. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(1) The net book values of property, plant and equipment pledged as security for interest-bearing bank and other borrowings granted to the Group are as follows (note 50):

	2023 RMB'000	2022 RMB'000
Buildings	**11,916,516**	9,160,988
Plant and machinery	**209,797**	8,811
Construction in progress	**739,603**	1,199,367
Total	**12,865,916**	10,369,166

(2) Capitalised interest expenses included in construction in progress of the Group are as follows (note 9):

	2023 RMB'000	2022 RMB'000
Interest expenses capitalised	**103,312**	17,473

(3) As at 31 December 2023, the Group was in the process of applying for property certificates of plant and office buildings with a net book value of approximately RMB570,458,000 (31 December 2022: RMB575,590,000).

33. INVESTMENT PROPERTIES

	Notes	2023 RMB'000	2022 RMB'000
Carrying amount at 1 January		**95,743,357**	67,229,732
Additions		**1,676,609**	2,383,755
Acquisition of subsidiaries	*56(a)*	**8,205**	21,091,551
Transfer from properties under development		**919,493**	–
Transfer from completed properties for sale		**490,267**	–
Transfer from property, plant and equipment	*32*	**1,200,493**	13,104
Transfer to property, plant and equipment	*32*	**(639,195)**	(319,514)
Transfer to assets classified as held for sale	*23*	**(722,678)**	–
Transfer to intangible assets	*38*	**(342,877)**	–
Revaluation gain upon transfer from owner-occupied property recognised in other comprehensive income		**–**	9,003
Gain on fair value adjustments	*6*	**1,113,884**	8,843,358
Disposal of subsidiaries	*56(b)*	**(4,673,886)**	(3,604,901)
Disposal		**(2,136,742)**	(2,056,269)
Transfer to unit-linked assets		**(524,735)**	(55,359)
Exchange realignment		**1,228,606**	2,208,897
Carrying amount at 31 December		**93,340,801**	95,743,357

The Group's investment properties consist of commercial properties, which are located in the Chinese Mainland, the United States of America, Japan, Italy, the United Kingdom, Portugal and other countries in Europe. The directors of the Company have determined that the investment properties are commercial assets based on the nature, characteristics and risks of these properties.

33. INVESTMENT PROPERTIES *(Continued)*

The Group engages external appraisers to assist with its determination of the fair values of all investment properties and the Group's policy is that property valuations are performed by the external appraisers on a regular basis. Selection criteria of the appraiser include market knowledge, reputation, independence and whether professional standards are maintained. The management of the Company has discussions with the appraiser on the valuation assumptions and valuation results when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 34 to the financial statements.

At 31 December 2023, the Group's certain investment properties with a net carrying amount of RMB66,683,282,000 (2022: RMB60,362,581,000) were pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2023 using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**93,340,801**	**93,340,801**

	Fair value measurement as at 31 December 2022 using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Recurring fair value measurement for:				
Commercial properties	–	–	95,743,357	95,743,357

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2022: Nil).

33. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Location of company	Valuation techniques	Significant unobservable inputs	2023 Range	2022 Range
The United States of America	Direct comparison approach and discounted cash flow approach	Terminal capitalisation rate	**5.25%**	5.00%
		Discount rate	**7.00%**	6.50%
		Market rent:		
		– per sq.ft. and per annual (Year 1) annum	**USD60 to USD258**	USD36 to USD258
		Occupancy rate	**88%**	97%
		Market rent growth rate	**3% to 5%**	3%
Chinese Mainland	Direct comparison approach, direct capitalisation approach and discounted cash flow approach	Comparable property price-per sqm	**RMB27,526 to RMB137,271**	RMB12,274 to RMB126,467
		Term yield	**4.5% to 7.0%**	5.5% to 6.5%
		Market rent:		
		– per sq.m. and per month	**RMB34 to RMB4,415**	RMB43 to RMB4,713
		– per slot of parking space/month	**RMB242 to RMB3,600**	RMB237 to RMB3,600
		Market rent growth rate	**3%**	3%
		Market yield	**5% to 10%**	6.0% to 7.0%
		Occupancy rate	**70% to 100%**	70% to 100%
		Level adjustments	**20% to 100%**	20% to 100%
Japan	Direct capitalisation approach	Term yield	**3.9% to 5.7%**	4.0% to 5.6%
		Market rent:		
		– per sq.m. and per month	**JPY908 to JPY8,221**	JPY1,274 to JPY8,221
		Market yield	**3.6% to 6.0%**	5.0% to 6.0%
		Occupancy rate	**100%**	100%
The United Kingdom	Term and reversionary approach	Term yield	**0.87% to 8.52%**	2.63% to 5.75%
		Market yield	**7.00% to 12.64%**	5.33% to 9.38%
		Market rent:		
		– per sq.ft. and per annual	**GBP 12.5 to GBP 56.0**	GBP 10 to GBP 52.5
		Occupancy rate	**80.3% to 88.2%**	80% to 100%
		Reversionary period	**2024/1/1 to 2033/10/1**	2023/1/1 to 2034/6/1
Italy	Direct capitalisation approach	Terminal capitalisation rate:	**3.9%**	4.1%
		Discount rate	**3.8%**	6.5%
		Market rent:		
		– per sq.m. and per annum	**EUR 661 to EUR 1,423**	EUR 626 to EUR 1,091
		Occupancy rate	**98%**	71%

33. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

The direct comparison approach is a method of valuation based on comparing the property of the Group to be assessed directly with other comparable properties which have been recently changed hands or leased. These premises are generally located in the surrounding areas or in another market which is comparable to the property of the Group. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price/rent likely to be achieved by the property under consideration.

The term and reversion method is a method by capitalising the rental from existing tenancies and the reversionary income potential at an appropriate market yield for the remaining term of the land use rights of the property of the Group. The capitalisation rate is derived from the relationship between the market rent and the market capital value of other similar properties in the locality.

The direct capitalisation approach is a method measures the fair value of the property by capitalising the rental from existing tenancies and the reversionary income potential at a market yield rate. The capitalisation rate is derived from the relationship between the market rent and the market capital value of other similar properties in the locality.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase/(decrease) in the estimated market rent or market selling price would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the term yield and market yield in isolation would result in a significant decrease/(increase) in the fair value of the investment properties.

34. LEASES

The Group as a lessee

The Group has lease contracts for various items of land, buildings, machinery, furniture, fixtures, and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 48 years, while leases of machinery generally have lease terms between 1 and 10 years. Furniture, fixtures and other equipment generally have lease terms of 1 to 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. The lease contracts with variable lease payments are further discussed below.

(A) RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Buildings RMB'000	Machinery RMB'000	Furniture, fixtures and other equipment RMB'000	Total RMB'000
At 1 January 2022	4,839,964	12,699,255	537,114	532,425	18,608,758
Additions	121,887	3,385,383	248,247	462,290	4,217,807
Acquisition of subsidiaries	173,197	974,205	291	7,263	1,154,956
Depreciation charge (note 10)	(109,803)	(2,050,313)	(140,672)	(369,833)	(2,670,621)
Disposals	(7,406)	(181,982)	(43,203)	(6,270)	(238,861)
Disposals of subsidiaries (note 56(b))	(280,247)	(113,837)	(63,289)	(2,214)	(459,587)
Impairment (note 10)	–	(3,882)	–	–	(3,882)
Exchange realignment	(23,974)	616,214	26,426	70,421	689,087
As at 31 December 2022 and 1 January 2023	**4,713,618**	**15,325,043**	**564,914**	**694,082**	**21,297,657**
Additions	**132,741**	**2,769,729**	**117,785**	**748,843**	**3,769,098**
Acquisition of subsidiaries (note 56(a))	**596,941**	**1,259,122**	**59,504**	**6,607**	**1,922,174**
Depreciation charge (note 10)	**(111,897)**	**(2,551,102)**	**(155,707)**	**(452,482)**	**(3,271,188)**
Disposals	**(389,270)**	**(112,747)**	**(4,386)**	**(42,539)**	**(548,942)**
Disposals of subsidiaries (note 56(b))	**(33,903)**	**–**	**–**	**–**	**(33,903)**
Impairment (note 10)	**–**	**(36,985)**	**–**	**–**	**(36,985)**
Exchange realignment	**43,991**	**672,277**	**28,663**	**9,593**	**754,524**
As at 31 December 2023	**4,952,221**	**17,325,337**	**610,773**	**964,104**	**23,852,435**

34. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(A) RIGHT-OF-USE ASSETS *(Continued)*

The net book values of right-of-use assets pledged as security for interest-bearing bank and other borrowings granted to the Group are as follows: (note 50)

	2023	2022
	RMB'000	RMB'000
Right-of-use assets	**2,016,590**	1,539,538
Total	**2,016,590**	1,539,538

(B) LEASE LIABILITIES

The carrying amount of lease liabilities and the movements during the year are as follows:

		2023	2022
	Notes	**RMB'000**	RMB'000
At 1 January		**17,861,755**	14,622,443
Additions		**3,584,034**	4,270,387
Acquisition of subsidiaries	*56(a)*	**1,409,713**	1,075,897
Disposals		**(159,548)**	(252,993)
Disposals of subsidiaries	*56(b)*	**–**	(127,237)
Accretion of interest recognised during the year	*9*	**838,375**	642,346
Covid-19-related rent concessions from lessors		**–**	(148,452)
Payments		**(3,798,481)**	(2,734,351)
Exchange realignment		**811,179**	513,715
At 31 December	*49*	**20,547,027**	17,861,755

The lease liabilities are included in accrued liabilities and other payables in note 49. The maturity analysis of lease liabilities is disclosed in note 66 to the financial statements.

The Group entered the lease in respect of certain leasehold properties from the associates and joint ventures. The amounts of lease liabilities by the Group to the related parties under the leases were determined with reference to the amounts charged by the third parties. Included in the Group's lease liabilities are amounts due to the Group's associates and joint ventures of RMB105,084,000 (2022: RMB73,798,000) and 84,000 (2022: Nil), respectively.

The Group applied the practical expedient to all eligible covid-19-related rent concessions granted by the lessors during the year ended 31 December 2022.

34. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(C) The amounts recognised in profit or loss in relation to leases are as follows:

	2023 RMB'000	2022 RMB'000
Interest on lease liabilities	**838,375**	642,346
Depreciation charge of right-of-use assets	**3,271,188**	2,670,621
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2023 and low value leases	**317,833**	328,002
Variable lease payments not included in the measurement of lease liabilities	**46,515**	18,213
Covid-19-related rent concessions from lessors	**–**	(148,452)
Impairment of right-of-use assets	**36,985**	3,882
Loss/(gain) on disposal of right-of-use assets	**146**	(14,132)
Total	**4,511,042**	3,500,480

(D) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 57 and 59, respectively, to the financial statements.

The Group as a lessor

The Group leases its investment properties consisting of several commercial properties around the world under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB3,011,082,000 (2022: RMB2,585,564,000), details of which are included in note 6 to the financial statements.

At 31 December 2023, the undiscounted minimum lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2023 RMB'000	2022 RMB'000
Within one year	**2,014,650**	1,804,959
After one year but within two years	**1,683,759**	1,472,112
After two years but within three years	**1,361,959**	1,503,204
After three years but within four years	**1,216,193**	1,522,708
After four years but within five years	**1,114,941**	1,588,645
After five years	**5,491,348**	5,895,498
Total	**12,882,850**	13,787,126

35. EXPLORATION AND EVALUATION ASSETS

	2023 RMB'000	2022 RMB'000
At 1 January	584,684	411,330
Additions	80,310	299,709
Exploration assets expensed and written off	(128,172)	(139,480)
Exchange realignment	5,318	13,125
At 31 December	542,140	584,684

36. MINING RIGHTS

	2023 RMB'000	2022 RMB'000
Cost:		
At 1 January	1,392,126	1,392,126
Acquisition of subsidiaries (note 56a(ii))	847,230	–
At 31 December	2,239,356	1,392,126
Accumulated amortisation:		
At 1 January	623,278	607,044
Amortisation for the year (note 10)	16,594	16,234
At 31 December	639,872	623,278
Impairment loss:		
At 1 January and 31 December	288,085	288,085
Net book value:		
At 31 December	1,311,399	480,763
At 1 January	480,763	496,997

37. OIL AND GAS ASSETS

	2023 RMB'000	2022 RMB'000
Cost:		
At 1 January	**4,966,156**	4,136,243
Additions	**653,859**	432,941
Relinquished	**(1,437,503)**	–
Exchange realignment	**122,560**	396,972
At 31 December	**4,305,072**	4,966,156
Accumulated amortisation:		
At 1 January	**2,139,799**	1,484,987
Amortisation for the year (note 10)	**601,704**	500,396
Relinquished	**(1,253,991)**	–
Exchange realignment	**89,019**	154,416
At 31 December	**1,576,531**	2,139,799
Impairment loss:		
At 1 January	**936,099**	691,644
Charge for the year (note 10)	**–**	174,145
Relinquished	**(183,513)**	–
Exchange realignment	**1,194**	70,310
At 31 December	**753,780**	936,099
Net book value:		
At 31 December	**1,974,760**	1,890,258
At 1 January	**1,890,258**	1,959,612

38. INTANGIBLE ASSETS

	Medicine licences RMB'000	Trademarks RMB'000	Business network and customer relationship RMB'000	Patents, technical know-how and operating concession rights RMB'000	Deferred development costs RMB'000	Others RMB'000	Total RMB'000
Cost:							
At 1 January 2022	2,584,311	11,519,269	2,464,150	6,985,943	3,330,507	6,148,193	33,032,373
Additions	56,380	9,192	10,105	599,656	1,467,791	1,768,382	3,911,506
Acquisition of subsidiaries	–	5,633,343	184,619	387,996	–	769,405	6,975,363
Disposals of subsidiaries (note 56(b))	(4,325)	(1,537,171)	(589,820)	(18,822)	–	(607,121)	(2,757,259)
Disposals	–	–	(185,100)	(3,373)	–	(734,747)	(923,220)
Transfer	848,967	–	–	319,400	(1,168,367)	–	–
Exchange realignment	5,090	654,928	61,060	(65,374)	(22,807)	252,312	885,209
At 31 December 2022 and 1 January 2023	**3,490,423**	**16,279,561**	**1,945,014**	**8,205,426**	**3,607,124**	**7,596,424**	**41,123,972**
Additions	**–**	**229,422**	**19,067**	**702,102**	**1,295,212**	**1,863,026**	**4,108,829**
Acquisition of subsidiaries (note 56(a))	**5,373**	**90,331**	**362,452**	**787,640**	**–**	**21,842**	**1,267,638**
Disposals of subsidiaries (note 56(b))	**–**	**(769,295)**	**–**	**–**	**–**	**(34,322)**	**(803,617)**
Disposals	**(35,102)**	**(1,317)**	**–**	**(30,211)**	**–**	**(1,686,075)**	**(1,752,705)**
Transfer	**693,919**	**–**	**–**	**137,853**	**(831,772)**	**–**	
Transfer from investment properties (note 33)	**–**	**–**	**–**	**–**	**–**	**342,877**	**342,877**
Exchange realignment	**695**	**431,103**	**43,323**	**64,665**	**–**	**984,849**	**1,524,635**
At 31 December 2023	**4,155,308**	**16,259,805**	**2,369,856**	**9,867,475**	**4,070,564**	**9,088,621**	**45,811,629**
Accumulated amortization							
At 1 January 2022	160,079	170,283	1,151,185	1,370,471	1,711	2,235,217	5,088,946
Provided during the year (note 10)	153,523	70,509	208,357	596,705	–	1,200,850	2,229,944
Disposals of subsidiaries (note 56(b))	(2,595)	–	(388,677)	(185,318)	–	(301,597)	(878,187)
Disposals	–	–	(144,640)	(253)	–	(620,051)	(764,944)
Exchange realignment	63,651	6,548	33,481	71,973	–	215,656	391,309
At 31 December 2022 and 1 January 2023	**374,658**	**247,340**	**859,706**	**1,853,578**	**1,711**	**2,730,075**	**6,067,068**
Provided during the year (note 10)	**208,071**	**59,443**	**178,849**	**846,956**	**–**	**1,437,480**	**2,730,799**
Disposals of subsidiaries (note 56(b))	**–**	**(113,738)**	**–**	**–**	**–**	**(30,765)**	**(144,503)**
Disposals	**(28,523)**	**(276)**	**–**	**(29,725)**	**–**	**(957,727)**	**(1,016,251)**
Exchange realignment	**816**	**12,532**	**127,264**	**137,479**	**–**	**326,315**	**604,406**
At 31 December 2023	**555,022**	**205,301**	**1,165,819**	**2,808,288**	**1,711**	**3,505,378**	**8,241,519**

38. INTANGIBLE ASSETS *(Continued)*

	Medicine licences RMB'000	Trademarks RMB'000	Business network and customer relationship RMB'000	Patents, technical know-how and operating concession rights RMB'000	Deferred development costs RMB'000	Others RMB'000	Total RMB'000
Impairment loss:							
At 1 January 2022	64,000	–	–	187,800	152,775	422,493	827,068
Charge for the year (note 10)	–	–	–	–	5,453	144,250	149,703
Disposals of subsidiaries (note 56(b))	–	–	–	–	–	(148,135)	(148,135)
Exchange alignment	–	–	–	–	–	(49,842)	(49,842)
At 31 December 2022 and 1 January 2023	**64,000**	**–**	**–**	**187,800**	**158,228**	**368,766**	**778,794**
Charge for the year (note 10)	**–**	**89,657**	**–**	**–**	**21,592**	**33,276**	**144,525**
Disposal	**–**	**–**	**–**	**–**	**–**	**(162,875)**	**(162,875)**
Exchange alignment	**–**	**4,834**	**–**	**6,230**	**–**	**8,239**	**19,303**
At 31 December 2023	**64,000**	**94,491**	**–**	**194,030**	**179,820**	**247,406**	**779,747**
Net book value:							
At 31 December 2023	**3,536,286**	**15,960,013**	**1,204,037**	**6,865,157**	**3,889,033**	**5,335,837**	**36,790,363**
At 31 December 2022	3,051,765	16,032,221	1,085,308	6,164,048	3,447,185	4,497,583	34,278,110

At 31 December 2023, certain of the Group's intangible assets with a net carrying amount of RMB335,698,000 (2022: RMB341,569,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (note 50).

38. INTANGIBLE ASSETS *(Continued)*

Impairment testing of intangible assets with indefinite useful lives

Certain intangible assets of the Group have indefinite useful lives as the extension costs are low and the intangible assets can be used indefinitely. The Group performs impairment tests for those intangible assets with indefinite useful lives based on individual intangible assets or the respective cash-generating unit depending on whether the recoverable amount of each individual intangible asset can be reliably estimated.

TRADEMARKS

The recoverable amounts of the trademarks have been determined based on the fair values less costs to sell using the relief from royalty method or based on the value-in-use calculations using cash flow projections derived from the financial budgets covering periods ranging from five to ten years approved by management. The royalty rates applied in the relief from the royalty method range from 1.5% to 25%. The discount rates used in the relief from royalty calculations or applied to the cash flows projections in the value-in-use calculations are in the range of 8.94%-16.8%. Cash flows beyond the period of the financial budget are extrapolated using the estimated long-term growth rates of 1.68% to 2.96% which are also estimates of the rates of inflation.

MEDICINE LICENCES

The recoverable amounts of medicine licences have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a nine-year approved by management. The discount rates applied to the cash flow projections are in the range of 16% to 17.4%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.3%, which is also an estimate of the rate of inflation.

OPERATING CONCESSION RIGHTS

The recoverable amounts of operating concession rights have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a nine-year period approved by senior management. The discount rate applied to the cash flow projection is 18.58%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.3%, which is also an estimate of the rate of inflation.

Assumptions were used in the value-in-use calculation for 31 December 2023 and 31 December 2022. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of indefinite-life intangible assets:

Budgeted gross margins – Management determined budgeted gross margins based on past performance and its expectations for the development of the market.

Discount rates – The discount rates used are the rates of return on investment required by the Group.

Royalty rates – The royalty rates are determined based on comparable or similar transactions.

Growth rates – The growth rates beyond the forecast period are the rates of inflation.

The values assigned to key assumptions are consistent with historical experience of the Group and external information sources.

39. INVESTMENTS IN JOINT VENTURES

	2023 RMB'000	2022 RMB'000
Share of net assets	12,584,076	9,844,575
Loans to joint ventures	–	58,500
Total	12,584,076	9,903,075

The Group's amounts due from joint ventures and amounts due to joint ventures are disclosed in note 21 to the financial statements.

Particulars of the Group's principal joint ventures of the Group are set out in note 4 to the financial statements.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2023 RMB'000	2022 RMB'000
Share of the joint ventures' profit for the year	2,869,750	966,290
Share of the joint ventures' other comprehensive (loss)/income	(51,958)	14,952
Share of the joint ventures' total comprehensive income	2,817,792	981,242
Aggregate carrying amount of the Group's investments in the joint ventures	12,584,076	9,903,075

40. INVESTMENTS IN ASSOCIATES

	2023 RMB'000	2022 RMB'000
Measured using the equity method		
Share of net assets	54,381,641	54,196,285
Goodwill on acquisition	4,444,639	4,446,708
Subtotal	58,826,280	58,642,993
Provision for impairment	(1,819,215)	(2,198,669)
Total	57,007,065	56,444,324
Measured at fair value through profit or loss	11,247,515	12,209,635
Total	68,254,580	68,653,959
Net book value pledged (note 50)	11,323,903	11,844,320

Particulars of the Group's principal associates of the Group are set out in note 4 to the financial statements.

The Group's amounts due from associates and amounts due to associates are disclosed in note 21 to the financial statements.

Sinopharm Industrial Investment Co., Ltd. ("Sinopharm") is considered a material associate of the Group and is accounted for using the equity method.

40. INVESTMENTS IN ASSOCIATES *(Continued)*

The following table illustrates the summarised financial information of Sinopharm adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2023 RMB'000	2022 RMB'000
Current assets	**335,769,893**	317,699,289
Non current assets	**47,566,886**	47,019,848
Current liabilities	**(241,419,075)**	(234,896,225)
Non current liabilities	**(21,300,812)**	(19,441,180)
Net assets	**120,616,892**	110,381,732
Net assets attributable to the owners of the parent	**37,897,955**	34,615,362

	2023 RMB'000	2022 RMB'000
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**49%**	49%
Group's share of net assets of the associate, excluding goodwill	**18,569,998**	16,961,527
Carrying amount of the investment	**18,569,998**	16,961,527
Revenues	**596,569,565**	552,147,550
Total comprehensive income for the year	**15,002,188**	14,337,009
Profit for the year attributable to owners of the parent	**4,553,856**	4,288,695
Other comprehensive income	**8,395**	4,473
Dividend received	**633,947**	578,200

The following table illustrates the aggregate financial information of the Group's associates using the equity method that are not individually material:

	2023 RMB'000	2022 RMB'000
Share of the associates' profit for the year	**4,472,198**	2,297,078
Share of the associates' other comprehensive income/(loss)	**570,162**	(3,421,137)
Share of the associates' total comprehensive income/(loss)	**5,042,360**	(1,124,059)
Aggregate carrying amount of the Group's investments in the associates using the equity method	**38,437,067**	39,482,797

41. GOODWILL

	Notes	2023 RMB'000	2022 RMB'000
Cost:			
At 1 January		**28,697,907**	25,891,560
Acquisition of subsidiaries	*56(a)*	**1,703,428**	4,518,463
Disposal of subsidiaries	*56(b)*	**(111,653)**	(2,399,786)
Exchange alignment		**621,548**	687,670
At 31 December		**30,911,230**	28,697,907
Accumulated impairment:			
At 1 January		**1,284,253**	1,086,742
Charge for the year	*10*	**76,196**	197,511
Exchange alignment		**2,883**	–
At 31 December		**1,363,332**	1,284,253
Net book value:			
At 31 December		**29,547,898**	27,413,654
At 1 January		**27,413,654**	24,804,818

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the corresponding subsidiary acquired as the acquired subsidiary is the only cash-generating unit that can benefit from synergy of the acquisition. The impairment test is based on the recoverable amount of the acquired subsidiary to which the goodwill is allocated of the following segments:

– Health

– Happiness

– Insurance

– Asset Management

– Intelligent Manufacturing

The carrying amounts of goodwill are as follows:

	Health	Happiness	Wealth		Intelligent Manufacturing	Total
			Insurance	Asset management		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023	**14,093,518**	**10,195,588**	**982,350**	**892,087**	**3,384,355**	**29,547,898**
2022	13,398,621	9,981,242	890,892	964,221	2,178,678	27,413,654

41. GOODWILL *(Continued)*

Impairment testing of goodwill *(Continued)*

The recoverable amount of each cash-generating unit is determined based on a value-in-use or fair value less costs of disposal calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a period ranging from five to ten years. The discount rates applied to the cash flow projections range from 6.5% to 19% (2022: 6.3% to 19%). Cash flows beyond the period of the financial budget are extrapolated using the estimated long-term growth rates of 1.5% to 3.5%. Discount rates and the estimated long-term growth rates used for each cash-generating unit within the major segments as at 31 December 2023 are as follows:

	Discount rates	Estimated long-term growth rates
Happiness segment	6.5%-16.5%	1.68%-2.96%
Health segment	6.5%-18.46%	1.5%-2.3%
Insurance segment	12.1%-19.0%	2%-3.5%
Intelligent Manufacturing segment	10.1%-10.6%	2.3%-2.5%

Assumptions were used in the value-in-use or fair value less costs of disposal calculation of the cash-generating units as at 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – Management determined budgeted gross margins based on past performance and its expectations for the development of the market.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Growth rate – The growth rates beyond the forecast period are the rates of inflation.

42. DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Accruals and provisions RMB'000	Fair value adjustments arising from equity investments at fair value through profit or loss RMB'000	Fair value adjustments arising from debt investments at fair value through other comprehensive income RMB'000	Fair value adjustments arising from equity investments designated at fair value through other comprehensive income RMB'000	Additional LAT provisions RMB'000	Lease liabilities RMB'000	Insurance and reinsurance contracts RMB'000	Others RMB'000	Total RMB'000
At 31 December 2021	2,852,651	2,484,531	58,441	62,214	313,216	2,111,188	57,991	–	977,538	8,917,770
Effect of adoption of amendments to HKFRS 17	12,029	226,431	(91,512)	24,410	48,963	–	–	994,605	(237,422)	977,504
Effect of adoption of amendments to HKAS 12 (note 2.2(d))	–	–	–	–	–	–	2,737,881	–	–	2,737,881
At 1 January 2022 (restated)	2,864,680	2,710,962	(33,071)	86,624	362,179	2,111,188	2,795,872	994,605	740,116	12,633,155
Acquisition of subsidiaries	8,501	87,248	–	–	–	–	–	–	163,247	258,996
Disposal of subsidiaries (note 56(b))	(10,782)	(17,179)	–	(318,316)	–	–	–	–	(77,493)	(423,770)
Deferred tax credited/(charged) to reserves during the year	2,194	(93,524)	–	1,476,255	49,943	–	–	1,034	(28,088)	1,407,814
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 12)	279,665	(161,702)	(73,081)	(42,577)	–	141,619	237,113	145,137	205,293	731,467
Included in assets classified as held for sale (note 23)	–	–	–	–	–	–	–	–	(32,010)	(32,010)
Others	–	–	281,478	–	(281,478)	–	–	–	–	–
Exchange realignment	59,071	67,135	697	99,108	(15,305)	403	75,697	32,721	(49,558)	269,969
Gross deferred tax assets at 31 December 2022 and 1 January 2023 (restated)	3,203,329	2,592,940	176,023	1,301,094	115,339	2,253,210	3,108,682	1,173,497	921,507	14,845,621
Acquisition of subsidiaries (note 56(a))	**118,209**	**34,967**	**–**	**–**	**–**	**–**	**–**	**–**	**4,135**	**157,311**
Disposal of subsidiaries (note 56(b))	**(6,146)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(220)**	**(6,366)**
Deferred tax credited/(charged) to reserves during the year	**–**	**(9,992)**	**–**	**(637,938)**	**90,945**	**–**	**–**	**8,896**	**33,838**	**(514,251)**
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 12)	**890,481**	**55,583**	**(98,635)**	**(2,230)**	**–**	**50,159**	**230,098**	**(117,838)**	**(84,492)**	**923,126**
Included in assets classified as held for sale (note 23)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(41,155)**	**(41,155)**
Exchange realignment	**66,304**	**49,857**	**21,787**	**58,099**	**7,744**	**–**	**151,474**	**65,780**	**(13,034)**	**408,011**
Gross deferred tax assets at 31 December 2023	**4,272,177**	**2,723,355**	**99,175**	**719,025**	**214,028**	**2,303,369**	**3,490,254**	**1,130,335**	**820,579**	**15,772,297**

42. DEFERRED TAX *(Continued)*

Movements in deferred tax assets and liabilities are as follows: *(Continued)*

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Fair value adjustments arising from equity investments at fair value through profit or loss RMB'000	Fair value adjustments arising from debt investments at fair value through other comprehensive income RMB'000	Revaluation of investment properties RMB'000	Deemed disposal of associates RMB'000	Deferred LAT RMB'000	Right-of-use assets RMB'000	Insurance and reinsurance contracts RMB'000	Others RMB'000	Total RMB'000
At 31 December 2021	8,381,248	3,041,978	398,920	2,936,068	2,060,437	70,982	–	–	1,827,070	18,716,703
Effect of adoption of amendments to HKFRS 17	11,989	(222,263)	(39,847)	1,436	–	–	–	(6,144)	131,895	(122,934)
Effect of adoption of amendments to HKAS 12 (note 2.2(d))	–	–	–	–	–	–	2,737,881	–	–	2,737,881
At 1 January 2022 (restated)	8,393,237	2,819,715	359,073	2,937,504	2,060,437	70,982	2,737,881	(6,144)	1,958,965	21,331,650
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 12)	(448,847)	(196,583)	–	2,089,687	(698,642)	(31,638)	185,468	27,885	1,506,896	2,434,226
Deferred tax credited to reserves during the year	(3,222)	–	(201,702)	1,027	4,727	–	–	1,051,599	18,132	870,561
Acquisition of subsidiaries	3,959,941	–	–	–	–	–	–	–	116,858	4,076,799
Disposal of subsidiaries (note 56(b))	(501,967)	(42,601)	–	(121,909)	–	–	–	–	–	(666,477)
Exchange realignment	102,169	46,436	51,585	270,873	–	4,067	71,350	37,171	83,212	666,863
Gross deferred tax liabilities at 31 December 2022 and1 January 2023 (restated)	**11,501,311**	**2,626,967**	**208,956**	**5,177,182**	**1,366,522**	**43,411**	**2,994,699**	**1,110,511**	**3,684,063**	**28,713,622**
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 12)	**(388,624)**	**343,928**	**–**	**231,544**	**(7,040)**	**(51,547)**	**212,326**	**16,855**	**(1,407,666)**	**(1,050,224)**
Deferred tax credited to reserves during the year	**13,996**	**152**	**57,490**	**(11,234)**	**–**	**–**	**–**	**(283,542)**	**(66,017)**	**(289,155)**
Acquisition of subsidiaries (note 56(a))	**423,662**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,725**	**428,387**
Disposal of subsidiaries (note 56(b))	**(179,856)**	**–**	**–**	**(143,098)**	**–**	**–**	**–**	**–**	**(101,167)**	**(424,121)**
Exchange realignment	**81,768**	**8,265**	**(5,548)**	**61,561**	**948**	**8,136**	**148,747**	**46,680**	**217,879**	**568,436**
Gross deferred tax liabilities at 31 December 2023	**11,452,257**	**2,979,312**	**260,898**	**5,315,955**	**1,360,430**	**–**	**3,355,772**	**890,504**	**2,331,817**	**27,946,945**

42. DEFERRED TAX *(Continued)*

For presentation purposes, certain deferred tax assets and liabilities amounting to RMB6,002,700,000 (2022: RMB5,576,944,000) have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2023	2022
	RMB'000	RMB'000 (Restated)
Net deferred tax assets recognised in the consolidated statement of financial position	**9,769,597**	9,268,677
Net deferred tax liabilities recognised in the consolidated statement of financial position	**21,944,245**	23,136,678

Deferred tax assets have not been recognised in respect of the following items as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the following items can be utilised:

	2023	2022
	RMB'000	RMB'000
Tax losses	**37,906,383**	35,060,148
Deductible temporary differences	**4,159,193**	3,642,830
Total	**42,065,576**	38,702,978

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding corporate income tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding corporate income tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable withholding rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and joint ventures established in Chinese Mainland in respect of earnings generated from 1 January 2008. At 31 December 2023, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of unrecognised deferred tax liabilities (i.e., withholding taxes relating to such temporary differences) was approximately RMB3,623,952,000 at 31 December 2023 (2022: RMB3,326,061,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

43. DEPOSITS FROM CUSTOMERS

	2023 RMB'000	2022 RMB'000
Demand deposits		
– Corporate deposits	60,403,069	58,790,265
– Personal deposits	7,733,256	8,839,880
Subtotal	68,136,325	67,630,145
Time deposits		
– Corporate deposits	9,988,608	5,366,895
– Personal deposits	4,091,154	3,938,902
Subtotal	14,079,762	9,305,797
Total	82,216,087	76,935,942

Deposits from customers which are related parties are disclosed in note 61 to the financial statements.

Included in the Group's deposits from customers are amounts from the Group's associates and joint ventures in the Finance Company, a subsidiary of the Group of RMB1,347,044,000 (2022: RMB1,873,857,000) and RMB13,000 (2022: RMB84,000), respectively.

44. REVERSE REPURCHASE AGREEMENTS AND ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

(i) Reverse repurchase agreements

	2023 RMB'000	2022 RMB'000
Total	6,844,927	–

(ii) Assets sold under agreements to repurchase

	2023 RMB'000	2022 RMB'000
Bonds	144,148	151,868
Others	43,915	–
Total	188,063	151,868

As at 31 December 2023, liabilities classified as assets sold under agreements to repurchase were secured by debt investments at fair value through profit or loss of the group amounting to RMB1,424,714,000 (31 December 2022: RMB1,127,529,000).

45. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RMB'000	2022 RMB'000
Gold leases*	**5,728,134**	3,397,215
Others**	**969,274**	909,661
Total	**6,697,408**	4,306,876

* Yuyuan, a subsidiary of the Group, signed gold lease contracts with banks, pursuant to which Yuyuan will lease in gold and return the same quantity of gold to the banks. Financial liabilities at fair value through profit or loss mainly represent the fair value of the gold to be returned under the gold lease agreements between Yuyuan and the banks as at 31 December 2023.

** Among which includes a financial instrument arrangement, the Company entered into with a bank where the amount to be settled with the bank was based on the fair value of the pledged financial assets at fair value through profit or loss as at 31 December 2023.

46. TRADE AND NOTES PAYABLES

	2023 RMB'000	2022 RMB'000
Trade payables	**23,231,106**	21,954,620
Notes payable	**3,176,564**	2,438,972
Total	**26,407,670**	24,393,592
An ageing analysis of the trade payables as at the end of the reporting period is as follows:		
Outstanding balances with ages:		
Within 90 days	**16,121,038**	14,032,419
91 to 180 days	**2,102,846**	1,577,017
181 to 365 days	**1,798,814**	3,041,641
1 to 2 years	**907,245**	1,415,175
2 to 3 years	**701,168**	1,063,014
Over 3 years	**1,599,995**	825,354
Total	**23,231,106**	21,954,620

Trade and notes payables of the Group mainly arose from the Health segment and the 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.

47. CONTRACT LIABILITIES

	2023 RMB'000	2022 RMB'000
Contract liabilities	**19,865,129**	24,332,437

The Group receives payments from customers based on the billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts from property sales and resorts operation.

The following table shows the amounts of the revenue recognised in each reporting period related to contract liabilities carried forward.

	2023 RMB'000	2022 RMB'000
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	**19,074,011**	14,294,063

The following table includes the transaction prices allocated to the remaining unsatisfied performance obligations as at the end of each reporting period.

	2023 RMB'000	2022 RMB'000
Expected to be recognised within one year	**18,488,625**	17,610,707
Expected to be recognised after one year	**2,213,060**	6,883,630
Total	**20,701,685**	24,494,337

48. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2023 RMB'000	2022 RMB'000
Due to European Central Bank	**–**	36,965
Due to:		
Banks in Germany	**244,527**	280,547
Banks in other European countries	**857,450**	823,596
Banks in other countries and regions	**1,481**	–
Subtotal	**1,103,458**	1,104,143
Total	**1,103,458**	1,141,108

49. ACCRUED LIABILITIES AND OTHER PAYABLES

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
Expected to be settled no more than 12 months:			
Advances from customers		**5,805,744**	5,903,668
Dividends payable to non-controlling shareholders of subsidiaries		**48,017**	58,377
Payables related to:			
Purchases of property, plant and equipment		**1,962,863**	1,598,379
Deposits received		**2,602,753**	12,016,530
Payroll		**5,705,262**	5,202,159
Accrued interest expenses		**942,124**	1,472,642
Value-added tax		**1,316,794**	1,220,128
Accrued utilities		**64,295**	39,281
Acquisition of subsidiaries		**1,804,272**	60,787
Funding from third parties for business development		**5,345,411**	6,792,122
Other accrued expenses		**5,027,234**	5,811,128
Lease liabilities	*34*	**2,663,206**	2,601,195
Others		**12,808,829**	12,286,113
Subtotal		**46,096,804**	55,062,509
Expected to be settled more than 12 months:			
Payables for rehabilitation	*(i)*	**259,755**	248,379
Payables for employee benefits	*(ii)*	**1,424,131**	1,169,784
Payables for acquisition of additional interests in subsidiaries		**112,589**	88,545
Share redemption options granted to non-controlling shareholders of subsidiaries		**1,601,368**	1,550,983
Loans from non-controlling shareholders of subsidiaries		**–**	312,752
Lease liabilities	*34*	**17,883,821**	15,260,560
Others		**7,203,545**	3,569,293
Subtotal		**28,485,209**	22,200,296
Total		**74,582,013**	77,262,805

49. ACCRUED LIABILITIES AND OTHER PAYABLES *(Continued)*

Notes:

(i) The movements of payables for rehabilitation are set out below:

	2023 RMB'000	2022 RMB'000
At 1 January	**301,119**	275,697
Additions	**10,733**	55,111
Acquisition of subsidiaries	**–**	1,507
Payments made	**(29,085)**	(43,571)
Exchange realignment	**10,921**	12,375
At 31 December	**293,688**	301,119
Expected to be settled no more than 12 months:	**33,933**	52,740
Expected to be settled more than 12 months:	**259,755**	248,379

(ii) The movements of payables for employee benefits are set out below:

	2023 RMB'000	2022 RMB'000
At 1 January	**1,231,352**	1,686,514
Additions	**249,800**	96,594
Acquisition of subsidiaries	**–**	96,491
Interest increment (note 9)	**18,983**	5,609
Payments made	**(207,884)**	(356,293)
Exchange realignment	**191,128**	(297,563)
At 31 December	**1,483,379**	1,231,352
Expected to be settled no more than 12 months:	**59,248**	61,568
Expected to be settled more than 12 months:	**1,424,131**	1,169,784

Payables for employee benefits are based on estimates of future payments made by management and are discounted at rates in the range of 0.80% to 3.2% (2022: 0.80% to 6.06%).

50. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2023 RMB'000	2022 RMB'000
Bank loans:			
Guaranteed		**446,816**	502,976
Secured		**72,556,104**	58,926,901
Unsecured		**84,668,628**	92,657,317
		157,671,548	152,087,194
Corporate bonds and enterprise bonds	*(2)*	**8,283,265**	20,333,046
Private placement bonds	*(3)*	**458,714**	1,453,304
Senior notes	*(4)*	**19,604,788**	29,330,861
Medium-term notes	*(5)*	**1,207,711**	8,610,818
Super short-term commercial papers	*(6)*	**3,807,844**	–
Exchangeable bonds	*(7)*	**2,043,667**	1,940,594
Other borrowings, secured	*(8)*	**16,090,210**	10,247,311
Other borrowings, unsecured	*(8)*	**2,756,163**	2,916,023
Total		**211,923,910**	226,919,151
Repayable:			
Within one year		**95,368,247**	106,279,027
In the second year		**50,082,845**	39,473,609
In the third to fifth years, inclusive		**47,548,281**	57,082,083
Over five years		**18,924,537**	24,084,432
Total		**211,923,910**	226,919,151

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

Notes:

(1) Certain of the Group's interest-bearing bank and other borrowings and other liabilities are secured by the pledges of assets with carrying values at the end of each reporting period as follows:

	Notes	**2023**	2022
		RMB'000	RMB'000
Pledge of assets:			
Pledged bank balances	*15*	**6,871,900**	1,041,172
Inventories	*18*	**797,680**	929,883
Completed properties for sale		**5,399,355**	4,594,245
Properties under development	*19*	**31,545,999**	34,365,862
Financial assets at fair value through profit or loss	*25*	**11,221,408**	2,864,708
Property, plant and equipment	*32*	**12,865,916**	10,369,166
Investment properties	*33*	**66,683,282**	60,362,581
Right-of-use assets	*34*	**2,016,590**	1,539,538
Intangible assets	*38*	**335,698**	341,569
Investment in associates	*40*	**11,323,903**	11,844,320
Other assets		**6,161,236**	602,323

Apart from the above, as at 31 December 2023, investments in subsidiaries are secured to raise interest-bearing bank and other borrowings, including 1,468,625,974 shares of Shanghai Yuyuan Tourist Mart (Group) Co., Ltd., 707,900,000 shares of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., and 686,000,000 shares of Hainan Mining Co., Ltd.

As at 31 December 2023, interest-bearing bank and other borrowings amounting to RMB289,984,000 were guaranteed by Fosun International Holdings Ltd., which is the ultimate holding company of the Group (2022: RMB383,053,000). Interest-bearing bank and other borrowings amounting to RMB156,832,000 (2022: RMB119,923,000) as at 31 December 2023 were guaranteed by third parties.

Certain other interest -bearing bank borrowings and other liabilities were secured by other unlisted subsidiaries shares.

The bank loans bear interest at rates ranging from 0.00% to 12.37% (2022: 0.00% to 11.85%) per annum.

Other assets include items pledged in trade and notes receivables (note 17) with a carrying amount of RMB283,253,000 (31 December 2022: RMB473,279,000), due from related companies (note 21) with a carrying amount of RMB5,465,000,000 (31 December 2022: nil), finance lease receivables (note 26) with a carrying amount of RMB374,492,000 (2022: RMB129,044,000), and debt investments at fair value through other comprehensive income (note 28) with a carrying amount of RMB38,491,000 (2022: nil).

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

Notes: *(Continued)*

(2) Corporate bonds and enterprise bonds

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. On 20 February 2023, Yuyuan repaid in advance with a par value of RMB1,699,100,000. 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 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. On 7 August 2023, Fosun High Technology repaid in advance with a par value of RMB1,890,000,000. Interest is paid annually in arrears and the maturity date is 7 August 2025.

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. On 2 November 2023, Fosun High Technology repaid in advance with a par value of RMB1,255,000,000. Among the rest of enterprise and corporate bonds, the ones with a par value of RMB175,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 2 November 2025.

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 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 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. On 18 January 2023, Fosun High Technology repaid in advance with a par value of RMB1,583,900,000. 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.

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

Notes: *(Continued)*

(3) Private placement bonds

On 22 November 2021, Napier TMK, a subsidiary of Yuyuan, issued three-year private placement bonds with a par value of JPY1,500,000,000 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 Yuyuan, issued thirty-one-month private placement bonds with a par value of JPY3,500,000,000 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, Tekapo TMK, a subsidiary of Fosun Management Holdings Limited, issued five-year private placement bonds with a par value of JPY700,000,000 and the effective interest rate is 1.69% per annum. Interest is paid quarterly in arrears and the maturity date is 1 April 2027.

On 31 July 2023, Napier TMK, a subsidiary of Yuyuan, issued fifteen-month private placement bonds with a par value of JPY3,500,000,000 and the effective interest rate is 8.00% per annum. Interest is paid quarterly in arrears and the maturity date is 31 October 2024.

(4) Senior notes

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%. Among these, senior notes with a par value of USD571,224,000 were purchased by third party investors. 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%. Among these, senior notes with a par value of USD384,407,000 were purchased by third party investors. 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%. Among these, senior notes with a par value of USD490,300,000 were purchased by third party investors. 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%. Among these, senior notes with a par value of USD488,200,000 were purchased by third party investors. 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 EUR485,211,000 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 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. On 22 September 2023, Fosun High Technology repaid in advance with a par value of RMB990,000,000. Interest is paid annually in arrears and the maturity date is 22 September 2025.

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.

On 27 October 2023, Fosun High Technology issued two-year medium-term notes with a par value of RMB700,000,000 and an effective interest rate of 6.8% per annum. Interest is paid annually in arrears and the maturity date is 27 October 2025.

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

Notes: *(Continued)*

(6) Super short-term commercial papers

On 11 July 2023, Fosun High Technology issued super short-term commercial papers with a par value of RMB1,000,000,000 and an effective interest rate of 4.99% per annum. Interest is payable at the maturity date which is 9 January 2024.

On 4 September 2023, Fosun High Technology issued super short-term commercial papers with a par value of RMB1,000,000,000 and an effective interest rate of 5.16% per annum. Interest is payable at the maturity date which is 31 May 2024.

On 18 September 2023, Yuyuan issued super short-term commercial papers with a par value of RMB600,000,000 and an effective interest rate of 5.30% per annum. Interest is payable at the maturity date which is 11 March 2024.

On 27 September 2023, Fosun High Technology issued super short-term commercial papers with a par value of RMB500,000,000 and an effective interest rate of 5.50% per annum. Interest is payable at the maturity date which is 21 June 2024.

On 18 October 2023, Yuyuan issued super short-term commercial papers with a par value of RMB300,000,000 and an effective interest rate of 5.50% per annum. Interest is payable at the maturity date which is 10 April 2024.

On 14 December 2023, Yuyuan issued super short-term commercial papers with a par value of RMB360,000,000 and an effective interest rate of 5.70% per annum. Interest is payable at the maturity date which is 11 June 2024.

(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 24 March 2025 (the "Conversion Period"). The Exchangeable Bonds are secured by 336 million shares of Hainan Mining A shares hold by the group. 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 31 December 2023, the prevailing conversion price of the Exchangeable Bonds was RMB10.12 per share.

(8) Other borrowings

In March 2020, Fosun Tourism Group ("FTG"), a subsidiary of the Group, issued asset-backed securities which were backed by the Atlantis Sanya hotel and water park as mortgages with a coupon rate of 5%, and the 100% equity interest in Hainan Atlantis and operating revenue of Atlantis Sanya as a pledge. The principal and interest of the prioritised level shall be repaid semi-annually in 48 instalments in 24 years. The coupon rates of the securities of the prioritised level are subject to adjustments by FTG and the holders have the rights, at their option, to require FTG to redeem at an interval of every three years within the terms of the securities. The fund raised by FTG from the third party investors was recorded as other borrowings amounted to RMB5,482,044,000 (31 December 2022: RMB6,055,787,000) as at 31 December 2023.

In 2023, the Group issued three tranches of asset-backed securities (quasi-REITs) with a coupon rate of 4.5%, which were backed by certain properties in the Bund Financial Center in Shanghai as mortgage. The interest shall be paid quarterly in 18 years. The holder have the rights, at its option, to require the Group to redeem at an interval of every three years within the terms of the securities. The fund raised by the Group from the third party investor was recorded as other borrowings amounted totally to RMB2,912,000,000 as at 31 December 2023.

The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 0% to 12.2% (31 December 2022: 0% to 10.0%) per annum.

51. FINANCIAL LIABILITIES FOR UNIT-LINKED CONTRACTS AND INVESTMENT CONTRACT LIABILITIES

	Notes	**2023 RMB'000**	2022 RMB'000 (restated)
Financial liabilities for unit-linked contracts	*(i)*	**29,442,770**	23,276,840
Investment contract liabilities	*(ii)*	**37,583,333**	40,765,932
Commissions on the issue of financial products		**–**	(2,652)
Total		**67,026,103**	64,040,120

Notes:

(i) Unit-linked contracts

	2023 RMB'000	2022 RMB'000 (restated)
At 1 January	**23,276,840**	12,708,621
Issues	**4,935,477**	9,236,759
Acquisition of subsidiaries	**–**	4,584,082
Redemptions	**(2,213,996)**	(1,477,217)
Profit or loss	**1,636,603**	(2,432,294)
Other	**(16,683)**	(12,729)
Exchange realignment	**1,824,529**	669,618
At 31 December	**29,442,770**	23,276,840

(ii) Other investment contract liabilities

	2023 RMB'000	2022 RMB'000 (restated)
At 1 January	**40,765,932**	47,160,507
Issues	**8,418,886**	4,679,450
Redemptions	**(14,526,366)**	(12,840,388)
Profit or loss	**700,404**	107,360
Other	**17,052**	15,482
Exchange realignment	**2,207,425**	1,643,521
At 31 December	**37,583,333**	40,765,932

52. DEFERRED INCOME

Deferred income represents government grants received related to assets.

	2023 RMB'000	2022 RMB'000
Special purpose fund for technology improvement	**265,977**	194,678
Government grants for property development and fixed asset construction	**977,035**	1,036,391
Total	**1,243,012**	1,231,069

53. SHARE CAPITAL

Shares

	2023 RMB'000	2022 RMB'000
Issued and fully paid:		
8,203,164,124 (2022: 8,220,210,124) ordinary shares	**37,286,880**	37,146,381

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Issued capital RMB'000
At 1 January 2022	**8,318,781,924**	36,919,889
Share award scheme (note 58)	**35,265,200**	226,492
Re-purchase of shares	**(133,837,000)**	–
At 31 December 2022 and 1 January 2023	**8,220,210,124**	37,146,381
Share award scheme (note 58)	**27,737,000**	140,499
Re-purchase of shares	**(44,783,000)**	–
At 31 December 2023	**8,203,164,124**	37,286,880

54. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Other deficits

The balance of other deficits represented the acquisition of the entire equity interest in Fosun Group pursuant to the restructuring of the Group prior to the listing of its shares on the Hong Kong Stock Exchange, after netting off the paid-up capital and capital reserve (arising from the bonus share issue of its subsidiaries) of Fosun Group.

(b) Surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the subsidiaries established in Chinese Mainland (the "PRC Subsidiaries"), each PRC Subsidiary is required to allocate 10% of its profit after tax, as determined in accordance with the applicable PRC accounting standards and regulations, to the surplus reserve until this reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the surplus reserve can be capitalised as paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

In accordance with the Company Law of Portugal, a percentage of not less than 10% or 5% of each year's net profit, depending on whether a company is an insurance or other company, must be transferred to the legal reserve, until the legal reserve totals the amount of share capital, or the legal reserve totals 20% of the registered capital. The legal reserve may not be distributed, but only be used to increase share capital or to offset accumulated losses.

55. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2023	2022 (Restated)
Percentage of equity interest held by non-controlling interests:		
Fosun Pharma	**63.93%**	63.96%
Fosun Insurance Portugal	**15.01%**	15.01%

Fidelidade – Companhia de Seguros, S.A. and its subsidiaries are collectively referred to as "Fosun Insurance Portugal".

	2023 RMB'000	2022 RMB'000 (Restated)
Profit for the year allocated to non-controlling interests:		
Fosun Pharma	**1,582,449**	2,329,608
Fosun Insurance Portugal	**218,136**	166,260
Dividends paid to non-controlling interests:		
Fosun Pharma	**717,234**	866,113
Accumulated balances of non-controlling interests at the reporting dates:		
Fosun Pharma	**29,275,999**	28,521,589
Fosun Insurance Portugal	**3,147,634**	2,734,206

55. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2023	**Fosun Insurance Portugal RMB'000**	**Fosun Pharma RMB'000**
Total revenue	**30,500,770**	**41,248,505**
Total expenses	**(28,690,489)**	**(38,341,101)**
Profit for the year	**1,810,281**	**2,907,404**
Total comprehensive income for the year	**2,885,691**	**2,939,260**
Total assets	**160,013,995**	**113,431,227**
Total liabilities	**(136,010,705)**	**(56,853,342)**
Net cash flows (used in)/from operating activities	**(709,096)**	**3,414,217**
Net cash flows from/(used in) investing activities	**3,310,455**	**(3,819,290)**
Net cash flows used in financing activities	**(2,841,021)**	**(1,336,250)**

2022	Fosun Insurance Portugal RMB'000 (Restated)	Fosun Pharma RMB'000
Total revenue	26,187,462	43,811,385
Total expenses	(24,658,501)	(39,857,751)
Profit for the year	1,528,961	3,953,634
Total comprehensive income for the year	44,133	4,061,677
Total assets	148,929,596	107,113,190
Total liabilities	(127,339,129)	(53,054,997)
Net cash flows (used in)/from operating activities	(4,771,219)	4,217,571
Net cash flows from/(used in) investing activities	6,308,470	(4,064,038)
Net cash flows (used in)/from financing activities	(3,483,055)	4,428,475

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries

(I) ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL

The major acquisition of subsidiaries accounted for as business combinations not under common control is set out as follows:

In April 2023, Gland Pharma International PTE Ltd, a subsidiary of Fosun Pharma, acquired 100% equity interest in Phixen SAS from a third party. The consideration was RMB862,179,000. The acquisition was undertaken to further develop the business under health segment of the Group.

In June 2023, Alma Hong Kong 2023 Limited ("Alma HK"), a subsidiary of Fosun Pharma, entered into an asset purchase agreement with PhotonMed International Limited ("PhotonMed HK") and its owner, pursuant to which Alma HK has agreed to purchase the business (comprising the target assets). After the completion of the acquisition on 28 June 2023, Alma HK shall issue 40% of its shares to PhotonMed HK so that Alma and PhotonMed HK will hold 60% and 40% of the total issued shares of Alma HK, respectively. The total consideration is an amount of up to RMB270,000,000, including contingent portion up to RMB37,500,000, which is subject to adjustment in relation to the target revenue and earnings. The acquisition was undertaken to further develop the business under health segment of the Group.

In October 2023, Fosun Pharma, acquired 6% equity interests in Jianjia Medical Investment Management Co., Ltd. ("Jianjia Medical"), a former associate, at the consideration of RMB120,000,000. After the completion of the acquisition, Fosun Pharma held 51% equity interest in Jianjia Medical. The acquisition was undertaken to further develop the business under the health segment of the Group.

In October 2023, Fosun High Technology, a subsidiary of Group, acquired 29.56% equity interests in Zhejiang Wansheng Co., Ltd. ("Wansheng") from Nanjing Iron & Steel Co., Ltd. ("Nanjing Iron & Steel"). The consideration was RMB2,650,000,000 and the unpaid cash consideration as at 31 December 2023 was RMB1,650,000,000 which was included in accrued liabilities and other payables and the equity interests in Wansheng were pledged to Nanjing Iron & Steel. The acquisition was undertaken to further develop the business under Intelligent Manufacturing segment of the Group.

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

(a) Acquisition of subsidiaries *(Continued)*

(I) ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL *(Continued)*

The fair values of the identifiable assets and liabilities of all the subsidiaries acquired during the year were as follows:

	2023 Fair value recognised on acquisition RMB'000
Cash and bank balances	1,496,052
Restricted cash	83,717
Trade and notes receivables	1,076,174
Inventories	893,286
Due from related companies	5
Prepayments, other receivables and other assets	830,449
Assets classified as held for sale	500
Financial assets at fair value through profit or loss	204,850
Debt investments at fair value through other comprehensive income	81,648
Equity investments designated at fair value through other comprehensive income	101,087
Property, plant and equipment (note 32)	6,080,736
Investment properties (note 33)	8,205
Right-of-use assets (note 34(a))	1,922,174
Intangible assets (note 38)	1,267,638
Investments in joint ventures	2,021
Deferred tax assets (note 42)	157,311
Trade and notes payables	(1,566,657)
Contract liabilities	(126,414)
Tax payable	(16,355)
Derivative financial instruments (Liabilities)	(1,171)
Accrued liabilities and other payables (excluding lease liabilities)	(827,452)
Lease liabilities (note 34(b))	(1,409,713)
Interest-bearing bank and other borrowings	(2,652,161)
Deferred tax liabilities (note 42)	(428,386)
Total identifiable net assets at fair value	7,177,544

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

(a) Acquisition of subsidiaries *(Continued)*

(I) ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL *(Continued)*

The fair values of the identifiable assets and liabilities of all the subsidiaries acquired during the year were as follows: *(Continued)*

	2023 Fair value recognised on acquisition RMB'000
Non-controlling interests	(4,417,194)
Total net assets acquired	2,760,350
Goodwill on acquisition (note 41)	1,703,428
Total	4,463,778

	2023 RMB'000
Satisfied by:	
Cash	3,052,295
Investments in associates	411,483
Prepayments, other receivables and other assets	1,000,000
Total	4,463,778

The fair values of the trade and notes receivables and prepayments, other receivables and other assets as at the dates of acquisition amounted to RMB1,076,174,000 and RMB830,449,000, respectively. The fair values of the acquired trade and notes receivables and prepayments, other receivables and other assets 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.

Since the acquisition, the acquired subsidiaries contributed RMB2,226,060,000 to the Group's turnover and net loss of RMB141,692,000 to the consolidated profit for the year ended 31 December 2023.

Had the combinations taken place at the beginning of the year, the revenue and the profit after tax of the Group for the would have been RMB202,226,680,000 and RMB5,395,140,000 respectively.

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

(a) Acquisition of subsidiaries *(Continued)*

(II) ACQUISITION OF A SUBSIDIARY NOT ACCOUNTED FOR AS BUSINESS COMBINATION

In November 2023, Xinmao Investment Co., Limited, a subsidiary of Hainan Mining increased its equity interest in Kodal Mining UK ("KMUK") to 51% at a total payment of USD94,340,000 (equivalent to RMB676,644,000) and KMUK has been consolidated into the Group since then. This acquisition aims to further develop the Group's business under Intelligent Manufacturing segment. The major assets of KMUK are mining rights in Mali. The non-controlling interests arised from this acquisition amounted to RMB721,619,000.

The above acquisition has been accounted for an acquisition of assets in the Group's consolidated financial statements. The purchase cost of the Group is allocated to the assets and liabilities, respectively, on the basis of their relative fair values at the date of purchase.

(III) AN ANALYSIS OF THE CASH FLOWS IN RESPECT OF THE ACQUISITION OF SUBSIDIARIES AS SET OUT IN (I) AND (II) ABOVE IS AS FOLLOWS:

	2023 **RMB'000**
Consideration settled by cash	**(3,728,939)**
Cash and cash equivalents acquired	**2,213,036**
Unpaid cash consideration as at 31 December 2023	**1,735,560**
Prepayment of cash consideration for acquisition not yet incorporated into mergers as at 31 December 2023	**(15,000)**
Net inflow of cash and cash equivalents included in cash flows used in investing activities	**204,657**

(b) Disposal of subsidiaries

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

In May 2023, FTG, a subsidiary of the Group, entered into an equity transfer agreement with Goldman Sachs Group to sell the Casa Cook and Cook's Club brands and related overseas businesses for a consideration of EUR8,000,000 (equivalent to RMB57,604,000).

In May 2023, FTG, a subsidiary of the Group, completed the disposal of its 54% equity interests in a subsidiary, Société Villages Hôtel des Caraïbes ("SVHC"), for a consideration of EUR22,072,000 (equivalent to RMB164,055,000). SVHC owned the Les Boucaniers Resort in France. FTG then entered into a lease contract with the buyer for the leaseback of the assets of Les Boucaniers on a 15-year term and continued to operate the resort. FTG measured the right-of-use assets arising from the leaseback for the proportion that related 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.

In May 2023, Alpha Yu B.V. ("Alpha Yu"), a subsidiary of the Group, disposed 80% of the equity interests in International Gemological Institute B.V., IGI Netherlands B.V., and International Gemological Institute (India) Private Limited (collectively referred to as IGI Group) to BCP ASIA II TOPCO PTE. LTD. for the consideration of USD456,000,000 (equivalent to RMB3,206,102,000).

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

(b) Disposal of subsidiaries *(Continued)*

The major disposal of subsidiaries during the year were as follows: *(Continued)*

	2023 **RMB'000**	2022 RMB'000
Net assets disposed of:		
Cash and bank balances	**281,974**	2,354,599
Trade and notes receivables	**126,382**	200,123
Inventories	**24,734**	1,656,710
Due from related companies	**23,311**	248,568
Prepayments, other receivables and other assets	**354,159**	667,166
Derivative financial instruments (assets)	**–**	96,542
Financial assets at fair value through profit or loss	**1,340,576**	595,189
Debt investment at fair value through other comprehensive income	**–**	10,297,210
Property, plant and equipment (note 32)	**461,179**	2,198,121
Investment properties (note 33)	**4,673,886**	3,604,901
Right-of-use assets (note 34(a))	**33,903**	459,587
Intangible assets (note 38)	**659,114**	1,730,937
Investments in associates	**1,273,627**	886,546
Goodwill (note 41)	**111,653**	2,399,786
Deferred tax assets (note 42)	**6,366**	423,770
Trade and notes payables	**(52,162)**	(239,690)
Contract liabilities	**(249)**	(351,173)
Tax payable	**(9,556)**	(76,760)
Accrued liabilities and other payables	**–**	–
(excluding lease liabilities)	**(258,500)**	(787,930)
Lease liabilities (note 34(b))	**–**	(127,237)
Due to related companies	**(2,778)**	(76,894)
Interest-bearing bank and other borrowings	**(2,110,333)**	(2,032,671)
Insurance contract liabilities	**–**	(8,481,707)
Deferred income	**(49,554)**	(26,184)
Deferred tax liabilities (note 42)	**(424,121)**	(666,477)
Non-controlling interests	**(2,026,099)**	(3,137,889)
	4,437,512	11,815,143

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

(b) Disposal of subsidiaries *(Continued)*

	2023 **RMB'000**	2022 RMB'000
Reclassification adjustments from other comprehensive losses upon disposal	**50,759**	920,976
	4,488,271	12,736,119
Right-of-use assets recognised in sales and leaseback	**37,959**	153,459
Fair value of the retained interests in subsidiaries disposed of	**(223,312)**	(3,659,465)
Provision for disposal costs	**11,357**	2,953
Net gain on disposal of subsidiaries (note 6)	**1,606,965**	1,253,732
Total	**5,921,240**	10,486,798
Satisfied by:		
Cash	**5,921,240**	10,486,798

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

	2023 **RMB'000**	2022 RMB'000
Cash consideration	**5,921,240**	10,486,798
Cash and cash equivalents disposed of	**(281,974)**	(2,354,599)
Cash consideration received in advance for disposal of subsidiaries	**–**	(63,750)
Receipt of unreceived cash consideration for disposal as at 31 December 2022	**4,355,267**	557,703
Cash consideration unreceived as at 31 December 2023	**(25,941)**	(4,370,267)
Net inflow of cash and cash equivalents included in cash flows from investing activities	**9,968,592**	4,255,885

57. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,548,640,000 and RMB3,584,034,000, respectively, in respect of lease arrangements for land, buildings, machinery, furniture, fixtures and other equipment (2022: RMB4,162,465,000 and RMB4,270,387,000).

(b) Changes in liabilities arising from financing activities

	Bank and other loans RMB'000	Other borrowings in accrued liabilities and other payables RMB'000	Lease liabilities RMB'000	Assets sold under agreements to repurchase RMB'000	Interest payable RMB'000	Financial liabilities at fair value through profit or loss (exclude Gold leases) RMB'000
At 31 December 2022 and at 1 January 2023	226,919,151	–	17,861,755	151,868	1,472,642	909,661
Changes from financing cash flows	(17,899,659)	3,562,624	(3,798,481)	(7,720)	–	5,441
Changes from operating cash flows	–	–	–	43,915	–	–
Interest paid	–	–	–	–	(12,808,936)	–
New leases	–	–	3,584,034	–	–	–
Disposal	–	–	(159,548)	–	–	–
Fair value change	–	–	–	–	–	(53,345)
Foreign exchange movement	2,247,583	–	811,179	–	111,654	–
Interest expense	115,007	–	838,375	–	11,110,782	–
Interest capitalised under properties under development	–	–	–	–	952,670	–
Interest capitalised under property, plant and equipment	–	–	–	–	103,312	–
Increase arising from acquisition of subsidiaries	2,652,161	–	1,409,713	–	–	–
Decrease arising from disposal of subsidiaries	(2,110,333)	–	–	–	–	–
At 31 December 2023	**211,923,910**	**3,562,624**	**20,547,027**	**188,063**	**942,124**	**861,757**

57. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(b) Changes in liabilities arising from financing activities *(Continued)*

	Bank and other loans RMB'000	Loans from non-controlling shareholders of subsidiaries* RMB'000	Lease liabilities RMB'000	Assets sold under agreements to repurchase RMB'000	Interest payable RMB'000	Financial liabilities at fair value through profit or loss (exclude Gold leases) RMB'000
At 31 December 2021 and at 1 January 2022	237,119,485	286,249	14,622,443	1,467,606	2,105,773	–
Changes from financing cash flows	(25,284,307)	–	(2,734,351)	151,868	–	843,819
Equity component of exchangeable bonds	(127,932)	–	–	–	–	–
Changes from operating cash flows	–	–	–	(1,467,606)	–	–
Interest paid	–	–	–	–	(12,207,034)	–
New leases	–	–	4,270,387	–	–	–
Disposal	–	–	(252,993)	–	–	–
Fair value change	–	–	–	–	–	65,842
Foreign exchange movement	4,515,676	26,503	513,715	–	113,151	–
Interest expense	113,151	–	642,346	–	9,709,339	–
Covid-19-related rent concessions from lessors	–	–	(148,452)	–	–	–
Interest capitalised under properties under development	–	–	–	–	1,733,940	–
Interest capitalised under property, plant and equipment	–	–	–	–	17,473	–
Increase arising from acquisition of subsidiaries	12,615,749	–	1,075,897	–	–	–
Decrease arising from disposal of subsidiaries	(2,032,671)	–	(127,237)	–	–	–
At 31 December 2022	226,919,151	312,752	17,861,755	151,868	1,472,642	909,661

* Included in accrued liabilities and other payables

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2023 RMB'000	2022 RMB'000
Within operating activities	**364,348**	346,215
Within investing activities	**(176,235)**	121,887
Within financing activities	**3,798,481**	2,734,351
Total	**3,986,594**	3,202,453

58. SHARE-BASED PAYMENTS

(a) Share award scheme of the Company

The Company adopts a share award scheme ("Share Award Scheme") for the purpose 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 to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group

SHARE AWARD SCHEME VII

On 1 April 2020, the Board of Directors of the Company has resolved to award an aggregate of 8,501,000 award shares ("Award Shares 2020 I") to 83 selected participants under the share award scheme ("Share Award Scheme VII"). Award Shares are awarded to selected participants by way of issue and allotment of new shares pursuant to a specific mandate obtained in the annual general meeting held on 3 June 2020.

Award Shares 2020 I shall be locked up immediately upon granting. The Award Shares 2020 I granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2020 I held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the Award Shares 2020 I granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2020 I granted amounted to approximately HKD82,482,000. The Group has recognised an amount of HKD10,316,000 (equivalent to RMB9,281,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB7,582,000).

SHARE AWARD SCHEME VIII

On 28 August 2020, the Board of Directors of the Company has resolved to award an aggregate of 70,000 award shares ("Award Shares 2020 II") to 2 selected participants under the share award scheme ("Share Award Scheme VIII"). Award Shares 2020 II are settled by way of award shares which had lapsed before vesting.

Award Shares 2020 II shall be locked up immediately upon granting. The Award Shares 2020 II granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2020 II held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the Award Shares 2020 II granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2020 II granted amounted to approximately HKD258,000. The Group has recognised an amount of HKD19,000 (equivalent to RMB17,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB49,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(a) Share award scheme of the Company *(Continued)*

SHARE AWARD SCHEME IX

On 31 March 2021, the Board of Directors of the Company has resolved to award an aggregate of 12,790,000 award shares ("Award Shares 2021 I") to 88 selected participants under the share award scheme ("Share Award Scheme IX"). Award Shares are awarded to selected participants by way of issue and allotment of new shares pursuant to a specific mandate obtained in the annual general meeting held on 3 June 2021.

Award Shares 2021 I shall be locked up immediately upon granting. The Award Shares 2021 I granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2021 I held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the Award Shares 2021 I granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2021 I granted amounted to approximately HKD141,131,000. The Group has recognised an amount of HKD20,106,000 (equivalent to RMB18,089,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB43,005,000).

SHARE AWARD SCHEME X

On 25 August 2021, the Board of Directors of the Company has resolved to award an aggregate of 265,000 award shares ("Award Shares 2021 II") to 5 selected participants under the share award scheme ("Award Shares Scheme X"). Award Shares 2021 II are settled by way of award shares which had lapsed before vesting.

Award Shares 2021 II shall be locked up immediately upon granting. The Award Shares 2021 II granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2021 II held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the Award Shares 2021 II granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2021 II granted amounted to approximately HKD1,038,000. The Group has reversed an amount of HKD38,000 (equivalent to RMB34,000) as expenses during the year ended 31 December 2023 (2022: recognised expenses equivalent to RMB437,000).

SHARE AWARD SCHEME XI

On 24 March 2022, the Board resolved to award an aggregate of 30,979,000 award shares ("the 2022 First Award Shares") to 143 Selected Participants under the 2015 Share Award Scheme. The 2022 First Award Shares have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 2 June 2022.

The 2022 First Award Shares shall be locked up immediately upon granting. The 2022 First Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2022 First Award Shares held by participants, of which (i) 25,695,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2022 First Award Shares granted upon the expiry of each lock-up period; of which (ii) 5,284,000 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2022 First Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2022 First Award Shares granted amounted to approximately HKD215,092,000. The Group has recognised an amount of HKD76,682,000 (equivalent to RMB68,991,000) as expenses during the year ended 31 December 2023. (2022: equivalent to RMB85,944,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(a) Share award scheme of the Company *(Continued)*

SHARE AWARD SCHEME XII

On 31 August 2022, the Board resolved to award an aggregate of 4,286,200 award shares ("the 2022 Second Award Shares") to 31 Selected Participants under the 2015 Share Award Scheme. The 2022 Second Award Shares have been issued and allotted pursuant to a specific mandate obtained in the extraordinary general meeting of the Company held on 19 October 2022.

The 2022 Second Award Shares shall be locked up immediately upon granting. The 2022 Second Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2022 Second Award Shares held by participants of which (i) 1,330,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2022 Second Award Shares granted upon the expiry of each lock-up period; of which (ii) 2,956,200 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2022 Second Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2022 Second Award Shares granted amounted to approximately HKD19,807,000. The Group has recognised an amount of HKD12,330,000 (equivalent to RMB11,093,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB3,254,000).

SHARE AWARD SCHEME XIII

On 30 March 2023, the Board resolved to award an aggregate of 25,937,000 award shares ("the 2023 Award Shares") to 113 Selected Participants under the 2023 Share Award Scheme. The 2023 Award Shares have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

The 2023 Award Shares shall be locked up immediately upon granting. The 2023 Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2023 Award Shares held by participants, of which (i) 25,325,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2023 Award Shares granted upon the expiry of each lock-up period; of which (ii) 612,000 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2023 Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2023 Award Shares granted amounted to approximately HKD123,914,000. The Group has recognised an amount of HKD59,886,000 (equivalent to RMB53,880,000) as expenses during the year ended 31 December 2023.

SHARE AWARD SCHEME XIV

On 31 August 2023, the Board of Directors of the Company has resolved to award an aggregate of 1,800,000 award shares ("Award Shares 2023 II") to 17 selected participants under the 2023 Share Award Scheme. Award Shares 2023 II have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

Award Shares 2023 II shall be locked up immediately upon granting. Award Shares 2023 II granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2023 II held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of Award Shares 2023 II granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2023 II granted amounted to approximately HKD7,417,000. The Group has recognised an amount of HKD2,366,000 (equivalent to RMB2,129,000) as expenses during the year ended 31 December 2023.

58. SHARE-BASED PAYMENTS *(Continued)*

(a) Share award scheme of the Company *(Continued)*

SHARE AWARD SCHEME I

On 30 August 2021, the Board of Directors of the Company has resolved to award no more than 3,860,000 shares of FTG held by the Company ("Award Shares 2021 III") to 33 selected participants under the share award scheme ("Share Award Scheme I").

Award Shares 2021 III shall be locked up immediately upon granting. The Award Shares 2021 III granted to participants shall be subject to various lock-up periods ranging from one year to two years, respectively, immediately from the date of grant. Award Shares 2021 III held by participants shall be unlocked in two tranches in the proportion of 50% and 50% of the total number of the Award Shares 2021 III granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2021 III granted amounted to approximately HKD38,103,000. The Group has reversed an amount of HKD1,521,000 (equivalent to RMB1,369,000) as expenses during the year ended 31 December 2023 (2022: recognised expenses equivalent to RMB9,074,000).

The following shares were outstanding under the Share Award Scheme during the year:

	2023 RMB'000	2022 RMB'000
At 1 January	**46,265,480**	20,212,530
Granted during the year	**27,737,000**	35,265,200
Forfeited and cancelled during the year	**(1,344,020)**	(585,620)
Vested during the year	**(23,786,510)**	(8,626,630)
At 31 December	**48,871,950**	46,265,480

The number of outstanding shares as at 31 December 2023 for each tranche of Share Award Scheme is as follows:	2023	2022
Share Award Scheme VII	**–**	2,674,780
Share Award Scheme VIII	**–**	10,200
Share Award Scheme IX	**4,125,900**	8,378,350
Share Award Scheme X	**28,900**	56,950
Share Award Scheme XI	**16,572,450**	30,879,000
Share Award Scheme XII	**877,700**	4,266,200
Share Award Scheme XIII	**25,467,000**	–
Share Award Scheme XIV	**1,800,000**	–
At 31 December	**48,871,950**	46,265,480

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company

The Company adopts share option schemes ("Share Option Schemes") for the purpose of providing incentives and/or rewards to eligible persons for their contribution to the Group, and continuing efforts to promote the interests of the Group.

SHARE OPTION SCHEME I

On 8 January 2016, the Company granted 111,000,000 options ("Options 2016") to subscribe for an aggregate of 111,000,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2016 shall entitle the holder of such Option 2016 to subscribe for one share upon exercise of such Option 2016 at an exercise price of HKD11.53 per share.

The Options 2016 are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2016, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2016");

ii. up to a further 30% of the Options 2016, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2016; and

iii. in respect of the remaining 50% of the Options 2016, which, for the avoidance of doubt, comprise those Options 2016 which have not been exercised (and have 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 Option Period 2016.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD156,619,000. The Group has reversed an amount of HKD40,366,000 (equivalent to RMB36,318,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB48,533,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME II

On 4 May 2017, the Company has granted 56,400,000 options ("Options 2017") to subscribe for an aggregate of 56,400,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2017 shall entitle the holder of such Option 2017 to subscribe for one share upon exercise of such Option 2017 at an exercise price of HKD11.75 per share.

The Options 2017 are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2017, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2017");

ii. up to a further 30% of the Options 2017, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2017; and

iii. in respect of the remaining 50% of the Options 2017, which, for the avoidance of doubt, comprise those Options 2017 which have not been exercised (and have 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 Option Period 2017.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD92,885,000. The Group has reversed an amount of HKD7,844,000 (equivalent to RMB7,057,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB13,082,000).

SHARE OPTION SCHEME III

On 28 March 2018, the Company has granted 51,701,000 options ("Options 2018") to subscribe for an aggregate of 51,701,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 27,000,000 option shares were granted to selected global core management; and (ii) 24,701,000 option shares were granted to selected outstanding employees. Each of the Options 2018 shall entitle the holder of such Option 2018 to subscribe for one share upon exercise of such Option 2018 at an exercise price of HKD17.58 per share.

The Options 2018 granted to selected global core management are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2018, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2018");

ii. up to a further 30% of the Options 2018, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2018; and

iii. in respect of the remaining 50% of the Options 2018, which, for the avoidance of doubt, comprise those Options 2018 which have not been exercised (and have 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 Option Period 2018.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME III *(Continued)*

The Options 2018 granted to selected outstanding employees are exercisable by each grantee in five tranches as set out below:

i. up to the first 20% of the Options 2018, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2018");

ii. up to a further 20% of the Options 2018, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2018; and

iii. up to a further 20% of the Options 2018, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2018; and

iv. up to a further 20% of the Options 2018, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2018; and

v. in respect of the remaining 20% of the Options 2018, which, for the avoidance of doubt, comprise those Options 2018 which have not been exercised (and have 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 Option Period 2018.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD148,269,000. The Group has recognised an amount of HKD6,163,000 (equivalent to RMB5,545,000) as expenses during the year ended 31 December 2023 (2022: reversed expenses equivalent to RMB2,709,000).

SHARE OPTION SCHEME IV

On 27 March 2019, the Company has granted 83,880,000 options ("Options 2019 I") to subscribe for an aggregate of 83,880,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 66,000,000 option shares were granted to selected global core management; and (ii) 17,880,000 option shares were granted to selected outstanding employees. Each of the Options 2019 I shall entitle the holder of such Option 2019 I to subscribe for one share upon exercise of such Option 2019 I at an exercise price of HKD12.86 per share.

The Options 2019 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2019 I, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 I");

ii. up to a further 30% of the Options 2019 I, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2019 I; and

iii. in respect of the remaining 50% of the Options 2019 I, which, for the avoidance of doubt, comprise those Options 2019 I which have not been exercised (and have 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 Option Period 2019 I.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME IV *(Continued)*

The Options 2019 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2019 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 I");

ii. up to a further 25% of the Options 2019 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2019 I; and

iii. up to a further 25% of the Options 2019 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019; and

iv. in respect of the remaining 25% of the Options 2019 I, which, for the avoidance of doubt, comprise those Options 2019 I which have not been exercised (and have 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 Option Period 2019 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD191,839,000. The Group has recognised an amount of HKD13,818,000 (equivalent to RMB12,432,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB2,368,000).

SHARE OPTION SCHEME V

On 28 August 2019, the Company has granted 2,380,000 options ("Options 2019 II") to subscribe for an aggregate of 2,380,000 ordinary shares in the Company under its Share Option Scheme, Each of the options 2019 II shall entitle the holder of such Option 2019 II to subscribe for one share upon exercise of such Option 2019 II at an exercise price of HKD9.95 per share.

The Options 2019 II which are classified as type I and type II are granted to newly-joined management staff and the intelligent technology professionals of the Group.

Type I exercising schedule:

i. up to the first 25% of the Options 2019 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 II");

ii. up to a further 25% of the Options 2019 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2019 II; and

iii. up to a further 25% of the Options 2019 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019 II; and

iv. in respect of the remaining 25% of the Options 2019 II, which, for the avoidance of doubt, comprise those Options 2019 II 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 Option Period 2019 II.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME V *(Continued)*

Type II exercising schedule:

i. up to the first 50% of the Options 2019 II, at any time from the date falling on the second anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 II");

ii. up to a further 25% of the Options 2019 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019 II; and

iii. in respect of the remaining 25% of the Options 2019 II, which, for the avoidance of doubt, comprise those Options 2019 II which have not been exercised (and have 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 Option Period 2019 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD1,847,000. The Group has reversed an amount of HKD241,000 (equivalent to RMB217,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB1,889,000).

SHARE OPTION SCHEME VI

On 1 April 2020, the Company has granted 20,900,000 options ("Options 2020 I") to subscribe for an aggregate of 20,900,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 9,400,000 option shares were granted to selected global core management; and (ii) 11,500,000 option shares were granted to selected outstanding employees. Each of the Options 2020 I shall entitle the holder of such Option 2020 I to subscribe for one share upon exercise of such Option 2020 I at an exercise price of HKD8.79 per share.

The Options 2020 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2020 I, at any time from the date falling on the third anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 I");

ii. up to a further 30% of the Options 2020 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2020 I; and

iii. in respect of the remaining 50% of the Options 2020 I, which, for the avoidance of doubt, comprise those Options 2020 I which have not been exercised (and have 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 Option Period 2020 I.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME VI *(Continued)*

The Options 2020 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2020 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 I");

ii. up to a further 25% of the Options 2020 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2020 I; and

iii. up to a further 25% of the Options 2020 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2020 I; and

iv. in respect of the remaining 25% of the Options 2020 I, which, for the avoidance of doubt, comprise those Options 2020 I 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 Option Period 2020 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD31,391,000. The Group has recognised an amount of HKD2,055,000 (equivalent to RMB1,848,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB4,468,000).

SHARE OPTION SCHEME VII

On 28 August 2020, the Company has granted 190,000 options ("Options 2020 II") to subscribe for an aggregate of 190,000 ordinary shares in the Company under its Share Option Scheme, Each of the options 2020 II shall entitle the holder of such Option 2020 II to subscribe for one share upon exercise of such Option 2020 II at an exercise price of HKD8.86 per share.

The Options 2020 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2020 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 II");

ii. up to a further 25% of the Options 2020 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2020 II; and

iii. up to a further 25% of the Options 2020 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2020 II; and

iv. in respect of the remaining 25% of the Options 2020 II, which, for the avoidance of doubt, comprise those Options 2020 II 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 Option Period 2020 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD141,000. The Group has recognised an amount of HKD17,000 (equivalent to RMB15,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB28,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME VIII

On 31 March 2021, the Company has granted 39,910,000 options ("Options 2021 I") to subscribe for an aggregate of 39,910,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 32,200,000 option shares are granted to selected global core management; and (ii) 7,710,000 option shares are granted to selected outstanding employees. Each of the Options 2021 I shall entitle the holder of such Option 2021 I to subscribe for one share upon exercise of such Option 2021 I at an exercise price of HKD10.91 per share.

The Options 2021 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2021 I, at any time from the date falling on the third anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 I");

ii. up to a further 30% of the Options 2021 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2021 I; and

iii. in respect of the remaining 50% of the Options 2021 I, which, for the avoidance of doubt, comprise those Options 2021 I which have not been exercised (and have 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 Option Period 2021 I.

The Options 2021 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2021 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 I");

ii. up to a further 25% of the Options 2021 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2021 I; and

iii. up to a further 25% of the Options 2021 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2021 I; and

iv. in respect of the remaining 25% of the Options 2021 I, which, for the avoidance of doubt, comprise those Options 2021 I 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 Option Period 2021 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD71,812,000. The Group has recognised an amount of HKD16,228,000 (equivalent to RMB14,601,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB16,203,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME IX

On 25 August 2021, the Company has granted 780,000 options ("Options 2021 II") to subscribe for an aggregate of 780,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2021 II shall entitle the holder of such Option 2021 II to subscribe for one share upon exercise of such Option 2021 II at an exercise price of HKD9.90 per share.

The Options 2021 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2021 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 II");

ii. up to a further 25% of the Options 2021 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2021 II; and

iii. up to a further 25% of the Options 2021 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2021 II; and

iv. in respect of the remaining 25% of the Options 2021 II, which, for the avoidance of doubt, comprise those Options 2021 II 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 Option Period 2021 I I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD606,000. The Group has reversed an amount of HKD320,000 (equivalent to RMB288,000) as expenses during the year ended 31 December 2023 (2022: recognised expenses equivalent to RMB495,000).

SHARE OPTION SCHEME X

On 24 March 2022, the Company has granted 59,300,000 options ("Options 2022 I") to subscribe for an aggregate of 59,300,000 ordinary shares in the Company under the 2017 Share Option Scheme, of which (i) 49,400,000 option shares are granted to selected global core management; and (ii) 9,900,000 option shares are granted to selected outstanding employees.. Each of the Options 2022 I shall entitle the holder of such Option 2022 I to subscribe for one share upon exercise of such Option 2022 I at an exercise price of HKD8.71 per share.

The Options 2022 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2022 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 I;

ii. up to a further 30% of the Options 2022 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2022 I; and

iii. in respect of the remaining 50% of the Options 2022 I, which, for the avoidance of doubt, comprise those Options 2022 I which have not been exercised (and have 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 Option Period 2022 I.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME X *(Continued)*

The Options 2022 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2022 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2022 I");

ii. up to a further 25% of the Options 2022 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2022 I; and

iii. up to a further 25% of the Options 2022 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 I; and

iv. in respect of the remaining 25% of the Options 2022 I, which, for the avoidance of doubt, comprise those Options 2021 II 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 Option Period 2022 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD71,886,000. The Group has recognised an amount of HKD15,889,000 (equivalent to RMB14,295,000) as expenses during the year ended 31 December 2023 (2022: equivalent to RMB14,775,000).

SHARE OPTION SCHEME XI

On 31 August 2022, the Company has granted 180,000 options ("Options 2022 II") to subscribe for an aggregate of 180,000 ordinary shares in the Company under the 2017 Share Option Scheme. Each of the Options 2022 II shall entitle the holder of such Option 2022 II to subscribe for one share upon exercise of such Option 2022 II at an exercise price of HKD5.95 per share.

The Options 2022 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2022 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2022 II");

ii. up to a further 25% of the Options 2022 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2022 II; and

iii. up to a further 25% of the Options 2022 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 II; and

iv. in respect of the remaining 25% of the Options 2022 II, which, for the avoidance of doubt, comprise those Options 2022 II 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 Option Period 2022 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD87,000. The Group has recognised an amount of HKD27,000 (equivalent to RMB24,000) as expenses during the year ended 31 December 2023. (2022: equivalent to RMB23,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME XII

On 30 March 2023, the Company has granted 71,070,000 options ("options 2023 I") subscribe for an aggregate of 71,070,000 ordinary shares in the Company under the 2023 Share Option Scheme, of which (i) 62,100,000 option shares are granted to selected global core management; and (ii) 8,970,000 option shares are granted to selected outstanding employees. Each of the Options 2023 I shall entitle the holder of such Option 2023 I to subscribe for one share upon exercise of such Option 2023 I at an exercise price of HKD6.16 per share.

The Options 2023 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2023 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 I;

ii. up to a further 30% of the Options 2023 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2023 I; and

iii. in respect of the remaining 50% of the Options 2023 I, which, for the avoidance of doubt, comprise those Options 2022 I which have not been exercised (and have 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 Option Period 2023 I.

The Options 2023 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2023 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2023 I");

ii. up to a further 25% of the Options 2023 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2023 I; and

iii. up to a further 25% of the Options 2023 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 I; and

iv. in respect of the remaining 25% of the Options 2023 I, 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 Option Period 2023 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD98,235,000. The Group has recognised an amount of HKD21,140,000 (equivalent to RMB19,020,000) as expenses during the year ended 31 December 2023.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME XIII

On 31 August 2023, the Company has granted 190,000 options ("Options 2023 II") to subscribe for an aggregate of 190,000 ordinary shares in the Company under the 2023 Share Option Scheme. Each of the Options 2023 II shall entitle the holder of such Option 2023 to subscribe for one share upon exercise of such Option 2023 II at an exercise price of HKD4.93 per share.

The Options 2023 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2023 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2023 II");

ii. up to a further 25% of the Options 2023 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2023 II; and

iii. up to a further 25% of the Options 2023 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 II; and

iv. in respect of the remaining 25% of the Options 2023 II, which, for the avoidance of doubt, comprise those Options 2023 II 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 Option Period 2023 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD266,000. The Group has recognised an amount of HKD48,000 (equivalent to RMB43,000) as expenses during the year ended 31 December 2023.

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. The following table lists the major inputs to the model used:

Share option:	**Scheme I**	**Scheme II**	**Scheme III**
Share price (HKD per share)	10.80	11.68	17.58
Volatility (%)	30.00	25.17	32.12
Risk-free interest rate (%)	1.36	1.23	1.91
Expected life of options (year)	10	10	10
Dividend yield (%)	1.57	1.80	1.99

Share option:	**Scheme IV**	**Scheme V**	**Scheme VI**
Share price (HKD per share)	12.86	9.95	8.79
Volatility (%)	38.59	36.71	36.70
Risk-free interest rate (%)	1.43	1.01	0.64
Expected life of options (year)	10	10	10
Dividend yield (%)	2.88	3.17	4.58

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME XIII *(Continued)*

Share option:	**Scheme VII**	**Scheme VIII**	**Scheme IX**
Share price (HKD per share)	8.86	10.88	9.90
Volatility (%)	33.69	28.42	23.58
Risk-free interest rate (%)	0.71	1.61	1.04
Expected life of options (year)	10	10	10
Dividend yield (%)	3.14	–	2.22

Share option:	**Scheme X**	**Scheme XI**	**Scheme XII**
Share price (HKD per share)	8.71	5.95	5.68
Volatility (%)	24.92	24.89	24.87
Risk-free interest rate (%)	2.15	3.09	3.51
Expected life of options (year)	10	10	10
Dividend yield (%)	3.44	5.18	0.25

Share option:	**Scheme XIII**
Share price (HKD per share)	4.91
Volatility (%)	24.82
Risk-free interest rate (%)	3.86
Expected life of options (year)	10
Dividend yield (%)	0.29

The following options were outstanding under the Share Option Scheme during the year:

	2023 **RMB'000**	2022 RMB'000
At 1 January	**274,916,850**	242,875,100
Granted during the year	**71,260,000**	59,480,000
Exercised during the year	**–**	–
Forfeited and other changes during the year	**(43,460,500)**	(27,438,250)
At 31 December	**302,716,350**	274,916,850

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

SHARE OPTION SCHEME XIII *(Continued)*

The weighted average exercise price of share options which were granted during 2023 was HKD6.80 (2022: HKD8.70), the weighted average exercise price of share options which were forfeited during 2023 were HKD11.55 (2022: HKD11.33), and the weighted average share price for share options exercised during the year was HKD0 per share (2022: HKD0), at a cash consideration of none (2022: Nil).

The number of outstanding share options granted as at 31 December 2023 for each tranche of the Share Option Scheme is as follows:

	2023	2022
	RMB'000	RMB'000
Share Option Scheme I	**37,700,000**	56,200,000
Share Option Scheme II	**27,800,000**	33,980,000
Share Option Scheme III	**10,647,600**	11,690,600
Share Option Scheme IV	**59,251,250**	63,081,250
Share Option Scheme V	**350,000**	450,000
Share Option Scheme VI	**13,752,500**	15,820,000
Share Option Scheme VII	**90,000**	90,000
Share Option Scheme VIII	**32,107,500**	35,795,000
Share Option Scheme IX	**300,000**	712,500
Share Option Scheme X	**52,537,500**	57,007,500
Share Option Scheme XI	**90,000**	90,000
Share Option Scheme XII	**67,900,000**	–
Share Option Scheme XIII	**190,000**	–
At 31 December	**302,716,350**	274,916,850

(c) Equity-settled share-based payment of principal subsidiaries of the Group

HENLIUS

As at 14 April 2018, the second extraordinary general meeting of Henlius, a subsidiary of the Fosun Pharma, passed a share incentive scheme and granted 22,750,000 restricted shares to eligible participants at an exercise price of RMB9.21 per share. As at 10 December 2020, Henlius passed a share incentive scheme and granted 2,780,700 restricted shares to eligible participants at a price of RMB9.21 per share. As at 7 April 2021, at 13 July 2021, and at 30 November 2021, Henlius granted 531,050 restricted shares to eligible participants at an exercise price of RMB9.21 per share. The 531,050 ordinary shares are derived from the forfeited shares at the time of the resignation of the participants in the 2018 and 2020 Share Award Schemes. On 28 February 2022, pursuant to the 2020 Share Award Scheme, 42,000 ordinary shares of the Company were granted to a eligible participant at an exercise price of RMB9.21 per share. All the 42,000 ordinary shares are derived from the forfeited shares at the time of the resignation of the participants in the 2020 Share Award Schemes. Henlius has recognised an amount of RMB2,627,000 as related expenses during the year ended 31 December 2023 (2022: RMB13,221,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(c) Equity-settled share-based payment of principal subsidiaries of the Group *(Continued)*

SISRAM MEDICAL LIMITED

As at 30 November 2021, at 2 December 2021, Sisram Medical Limited, a subsidiary of the Fosun Pharma, granted 4,699,550 restricted shares to eligible participants. Sisram has recognised an amount of RMB3,469,000 as expenses for the year ended 31 December 2023 (2022: RMB21,257,000).

SHANGHAI FOSUN HEALTH TECHNOLOGY (GROUP) CO., LTD.

On June 1, 2022, Shanghai Fosun Health Technology (Group) Co., Ltd. ("Fosun Health"), a subsidiary of the Fosun Pharma, whose equity incentive scheme was approved by the shareholders of Fosun Health at Fosun Pharma's the 2022 first class meeting of A shareholders and the 2022 first class meeting of H shareholders. Pursuant to the Fosun Health equity incentive scheme, 43,590,000 restricted shares and 146,919,000 stock options were granted to incentives at a grant price of RMB1 per share and an exercise price of RMB1 yuan per option. Fosun Health recognised an amount of RMB19,223,000 as related expenses for the year ended 31 December 2023 (2022: RMB17,233,000).

FOSUN TOURISM GROUP ("FTG")

FTG, a subsidiary of the Group, has granted certain share options during previous years. The fair value of the share options granted was RMB184,620,000 (RMB3.47 to RMB4.59 each), based on different vesting periods, of which the Group recognised a share option expense of RMB1,999,000 during the year ended 31 December 2023 (2022: RMB4,129,000).

On 28 August 2020, pursuant to the 2019 free share ownership plan, share units for 2,720,889 ordinary shares of the Company, were granted to eligible participants with vesting periods from one to four years. The aggregate fair value of the free shares granted amounted to approximately RMB22,774,000. FTG has recognised an expense of RMB855,000 during the year ended 31 December 2023 (2022: RMB2,574,000).

On 28 August 2020, pursuant to the 2019 share option plan, 4,979,000 share options were granted to eligible participants with vesting periods from one to four years. The fair value of the share options granted was RMB8,601,000 (RMB1.61 to RMB1.84 each), based on different vesting periods, of which the Group recognised a share option expense of RMB385,000 during the year ended 31 December 2023 (2022: RMB461,000).

On 20 August 2021, pursuant to the 2019 free share ownership plan, share units for 3,146,000 ordinary shares of the Company, were granted to eligible participants with vesting periods from one to four years. The aggregate fair value of the free shares granted during the year amounted to approximately RMB23,569,000. FTG has recognised an expense of RMB3,506,000 for the year ended 31 December 2023 (2022: RMB9,117,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(c) Equity-settled share-based payment of principal subsidiaries of the Group *(Continued)*

FOSUN TOURISM GROUP ("FTG") *(Continued)*

On 20 August 2021, pursuant to the 2019 share option plan, 6,233,000 share options were granted to eligible participants with vesting periods from one to four years. The fair value of the share options granted during the year was RMB11,636,000 (RMB1.72 to RMB2.01 each), based on different vesting periods, of which the Group recognised a share option expense of RMB601,000 during the year ended 31 December 2023 (2022: RMB3,610,000).

On 28 April 2022, pursuant to the 2019 share option plan, 3,083,000 share options were granted to eligible participants with vesting periods from one to four years. The fair value of the share options granted during the year was RMB27,024,000, based on different vesting periods, of which the Group recognised a share option expense of RMB6,921,000 during the year ended 31 December 2023(2022: RMB8,892,000).

On 28 April 2022, pursuant to the 2019 share option plan, 5,654,000 share options were granted to eligible participants with vesting periods from one to four years.

The fair value of the share options granted during the year was RMB16,384,000(RMB2.70 to RMB3.09 each), based on different vesting periods, of which the Group recognised a share option expense of RMB3,199,000 during the year ended 31 December 2023(2022: RMB4,632,000).

On 18 January 2023, pursuant to the 2019 Share Option Plan, 7,246,000 share options were granted to eligible participants with vesting periods from one to four years. The fair value of the share options granted during the year was RMB26,455,000 (RMB3.41 to RMB3.88 each), based on different vesting periods, of which the Group recognised a share option expense of RMB9,705,000 during the year ended 31 December 2023.

On 18 January 2023, pursuant to the 2019 Free Share Ownership Plan, share units for 4,850,000 ordinary shares of the Company, were granted to eligible participants with vesting periods from one to four years.The aggregate fair value of the free shares granted during the year amounted to approximately RMB49,047,000. The Group has recognised an expense of RMB22,146,000 for the year ended 31 December 2023.

YUYUAN

Pursuant to the restricted share incentive schemes and share incentive schemes of Yuyuan, share units for 62,880,676 restricted share and share option of Yuyuan were granted to eligible participants with vesting periods from one to five years. The aggregate fair value of the free shares granted was amounted to approximately RMB256,614,000. The group has recognised an expense of RMB23,925,000 during the year ended 31 December 2023 (2022: RMB27,078,000).

HAINAN MINING

Pursuant to the restricted share incentive schemes and share incentive schemes of Hainan Mining in 2023, restricted share and share option were granted to eligible participants with vesting periods less than four years. The group has recognised an expense of RMB18,073,000 during the year ended 31 December 2023.

59. COMMITMENTS

(a) The Group had the following contractual commitments at the end of the reporting period:

	2023 RMB'000	2022 RMB'000
Contracted, but not provided for:		
Plant and machinery	**2,874,389**	4,078,905
Properties under development	**3,295,154**	3,316,319
Investments	**4,230,115**	5,889,963
Oil and gas assets	**708**	55,020
Total	**10,400,366**	13,340,207
In addition, the Group had the following commitments provided to joint ventures (including the Group's share of commitments made jointly with other joint venturers), which are not included in the above, is as follows:		
Contracted but not provided for:		
Properties under development	**2,176,098**	3,696,787
Total	**2,176,098**	3,696,787

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2023. The future lease payments for these non-cancellable lease contracts are RMB7,100,000 due within one year, RMB17,367,000 due in the second to fifth years, inclusive and RMB9,558,000 due after five years.

60. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the end of the reporting period:

	Notes	2023 RMB'000	2022 RMB'000
Principal amount of the guaranteed bank loans and corporate bonds of:			
Related parties		**1,780,500**	1,536,034
Third parties		**338,164**	317,893
Qualified buyers' mortgage loans	*(1)*	**5,970,909**	7,409,793
		8,089,573	9,263,720

Notes:

(1) As at 31 December 2023, the Group provided guarantees of approximately RMB5,970,909,000 (31 December 2022: RMB7,409,793,000) in favour of their customers in respect of mortgage loans provided by banks to these 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 the case of default in payments, the net realisable value of the related properties can cover the outstanding principal together with the accrued interest and penalties, and therefore, no provision has been made in the financial statements for the guarantees.

(2) Owing to the nature of the insurance business, the insurance segment of the Group is involved in legal proceedings in the ordinary course of its activities, 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.

61. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the year: (Where certain related party transactions are detailed elsewhere in the financial statements) In addition to the transactions detailed in note 21, note 29, note 56 and note 60 to the financial statements, the Group had the following transactions with related parties during the year:

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Sales of goods			
Sinopharm Group Co., Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**6,431,227**	5,720,121
C.Q. Pharmaceutical Holding Co., Ltd (Notes 2 & 7)	Sales of pharmaceutical products	**1,022,760**	856,137
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 7)	Sales of other products	**32,457**	217,842
Nanjing Iron & Steel Group International Economic and Trade Co. LTD (Notes 13 & 7)	Sales of iron ore and powdered iron	**26,114**	–
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 7)	Sales of waste rubble	**17,683**	392
Ningbo Jinchen Nanjing Iron & Steel Technology Development Co. Ltd (Notes 13 & 7)	Sales of iron ore and powdered iron	**13,395**	–
Shanghai Lingjian Information Technology Co., Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**4,129**	7,310
Beijing Jinxiang Fosun Pharmaceutical Co., Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**2,715**	15,214
Jinfukang Pharmaceutical Group Co., Ltd (Notes 2 & 7)	Sales of pharmaceutical products	**2,390**	4,425
Jinhui Liquor Co., Ltd. (Notes 2 & 7)	Sales of other products	**1,212**	–
Riviera Songhelou (Shanghai) Catering Management Co., Limited (Notes 2 & 7)	Sales of other products	**326**	409
Hainan Haigang Group Co., Ltd. (Notes 3 & 7)	Sales of electricity	**295**	339
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co. Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**31**	2,894
Beijing Time Network Co., Ltd (Notes 2 & 7)	Sales of other products	**–**	18,386
Suzhou Fujian Xingyi LLP (Notes 2 & 7)	Sales of pharmaceutical products	**–**	10,710
Kunming Forte Real Estate Development Co., Ltd (Notes 2 & 7)	Sales of other products	**–**	8,173
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 7)	Sales of other products	**–**	4,632
Jin Hui Jiu (Xinjiang) marketing Co. Ltd. (Notes 12 & 7)	Sales of other products	**–**	2,653
Hangzhou Fuyu Real Estate Co., Ltd (Notes 2 & 7)	Sales of other products	**–**	2,073
New Frontier Health Corporation (Notes 2 & 7)	Sales of pharmaceutical products	**–**	286
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 7)	Sales of other products	**–**	265
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 7)	Sales of other products	**–**	180
Total sales of goods		**7,554,734**	6,872,441

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Purchases of goods			
Sinopharm Group Co., Ltd. (Notes 2 & 7)	Purchases of pharmaceutical products	**360,788**	361,165
C.Q. Pharmaceutical Holding Co., Ltd (Notes 2 & 7)	Purchases of pharmaceutical products	**182,455**	113,709
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 7)	Purchases of lump ore	**23,069**	–
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 7)	Purchases of alcohol	**19,975**	32,742
Dongguan Xingyu Jewelry Industrial Co., Ltd. (Notes 2 & 7)	Purchases of jewellery	**12,395**	20,242
Hainan Haigang Group Co., Ltd. (Notes 3 & 7)	Purchases of rich ore sand and lean ore	**11,327**	31,479
Hangzhou Youpeng Network Technology Co., Ltd. (Notes 2 & 7)	Purchases of jewellery	**7,298**	12,501
Saladax Biomedical, Inc. (Notes 2 & 7)	Purchases of pharmaceutical products	**6,638**	3,276
Shanghai Shihao Industry & Trade Technology Co., Ltd. (Notes 2 & 7)	Purchases of accessories	**4,521**	5,475
Shanghai Xingzhen Furniture Co. Ltd. (Notes 2 & 7)	Purchases of construction materials	**3,307**	–
Shanghai Hengbao Horologe (Notes 2 & 7)	Purchases of accessories	**1,460**	3,664
Shanghai Shishang Industry & Trade Technology Co., Ltd. (Notes 2 & 7)	Purchases of accessories	**1,266**	3,971
Anhui Sunhere Pharmaceuticals Excipients Co., Ltd. (Notes 2 & 7)	Purchases of pharmaceutical products	**1,107**	3,864
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 7)	Purchases of pharmaceutical products	**1,030**	–
Jinhui Liquor Co., Ltd. (Notes 2 & 7)	Purchases of alcohol	**951**	–
Sichuan Tuopai Shede Marketing Co., Ltd. (Notes 2 & 7)	Purchases of commodities	**600**	–
SINNOWA Medical Science &Technology Co., Ltd. (Notes 2 & 7)	Purchases of pharmaceutical products	**563**	581
Nanjing Iron & Steel Co., Ltd. (Notes 13 & 7)	Purchases of steel products	**429**	226
Fosun United Health Insurance Co., Ltd. (Notes 2 & 7)	Purchases of insurance products	**405**	99
Jiangsu Nangang Xinyang Supply Chain Co., Ltd (Notes 13 & 7)	Purchases of trade mines products	**391**	1,509
Beijing Zhongyan Dadi Technology Co., Ltd. (Notes 12 & 7)	Purchases of construction materials	**–**	14,690
Total purchases of goods		**639,975**	609,193

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Service income			
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	93,064	3,873
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	35,067	33,558
Shanghai Yuyun Industrial Development Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	21,534	–
Suzhou Fujian Xingyi LLP (Notes 2 & 8)	Medical related services provided to the related company	20,729	–
Fosun United Health Insurance Co., Ltd (Notes 2 & 8)	Reinsurance services provided to the related company	12,806	22,458
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	10,758	8,630
Fosun United Health Insurance Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	8,188	–
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Travel services provided to the related company	8,032	–
Tianjin Fosun Haihe medical and health industry fund partnership (Limited Partnership) (Notes 2 & 8)	Medical related services provided to the related company	6,763	4,928
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	6,510	12,797
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 8)	Other services provided to the related company	5,992	–
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	5,919	8,867
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	5,665	4,767
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	5,142	2,750
Kunming Forte Real Estate Development Co., Ltd (Notes 2 & 8)	Other services provided to the related company	4,957	–
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	4,950	6,697
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	4,080	–
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 8)	Property management services provided to the related company	3,367	4,639
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	3,550	5,126

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Service income *(Continued)*			
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 8)	Property management services provided to the related company	3,148	3,398
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	3,105	1,781
Huaihai Hospital Management (Xuzhou) Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	2,901	–
Chongqing Langfu Real Estate Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	2,674	4,895
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Consulting services provided to the related company	2,473	1,732
Sichuan Tuopai Shede Marketing Co., Ltd. (Notes 2 & 8)	Travel services provided to the related company	2,280	–
Yongan Property Insurance Co., Ltd (Notes 2 & 8)	Reinsurance services provided to the related company	1,926	23,619
Hangzhou Fuyu Real Estate Co., Ltd (Notes 2 & 8)	Other services provided to the related company	1,886	–
Kunming Forte Real Estate Development Co., Ltd (Notes 2 & 8)	Property management services provided to the related company	1,368	5,475
Shanghai Yaokang Pharmaceutical Technology Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	1,306	123
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co. Ltd. (Notes 2 & 8)	Medical related services provided to the related company	1,264	2,452
Sinopharm Group Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	933	–
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	845	–
Kunming Forte Real Estate Development Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	744	22,520
Hangzhou Fuyu Real Estate Co., Ltd (Notes 2 & 8)	Property management services provided to the related company	369	1,555
Hainan Tianhan Technology Co., Ltd (Notes 2 & 8)	Other services provided to the related company	348	–
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	201	3,720
Shenzhen Yunshangxing Technology Co., Ltd. (Notes 2 & 8)	Consulting services provided to the related company	164	–
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Reinsurance services provided to the related company	91	–
Tongde Equity Investment and Management (Shanghai) Co. Ltd. (Notes 2 & 8)	Medical related services provided to the related company	60	122

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Service income *(Continued)*			
Shenzhen Yunshangxing Technology Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	6	128
Xi'an Fuyu Real Estate Development Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	–	4,211
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 8)	Consulting services provided to the related company	–	4,176
Dongyang Fuhong Technology Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	–	3,538
Beijing Yuquan Xincheng Real Estate Development Co., Ltd (Notes 2 & 8)	Other services provided to the related company	–	3,028
Hangzhou Fuyu Real Estate Co., Ltd (Notes 2 & 8)	Consulting services provided to the related company	–	1,640
Nanjing Xinzhi Chain Technology Information Co., Ltd. (Notes 13 & 8)	Other services provided to the related company	–	1,013
Hangzhou Youpeng Network Technology Co., Ltd. (Notes 2 & 8)	Consulting services provided to the related company	–	943
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	–	906
Nanjing Iron & Steel Co., Ltd. (Notes 13 & 8)	Consulting services provided to the related company	–	769
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	–	555
Hainan Shilu Iron Mine Park Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	–	492
Haijian Changjiang Construction Engineering Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	–	236
Hainan Haigang Group Co., Ltd. (Notes 3 & 8)	Other services provided to the related company	–	18
Total service income		295,165	212,135

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Interest income			
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 10)	Interest income	220,619	213,104
Banco Comercial Portugues, S.A. (Notes 2 & 10)	Interest income	62,431	45,221
Acacias Property S.à.r.l (Notes 2 & 10)	Interest income	31,924	28,261
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 10)	Interest income	9,734	15,806
Zhejiang Dongyang China Woodcarving City Investment and Development Co., Ltd. (Notes 2 & 10)	Interest income	9,513	11,482
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 10)	Interest income	7,614	7,961
FPH Europe Holdings III (HK) Limited (Notes 2 & 10)	Interest income	3,584	5,808
Tianjin EV Energies Co., Ltd. (Notes 2 & 10)	Interest income	897	–
Fosun Fashion Group (Cayman) Limited (Notes 11 & 10)	Interest income	–	59,144
HCo Lux S.à r.l. (Notes 11 & 10)	Interest income	–	21,602
Nanjing Iron & Steel Co., Ltd. (Notes 13 & 10)	Interest income	–	733
Nature's Sunshine (Far East) Limited (Notes 2 & 10)	Interest income	–	15
Total interest income		346,315	409,137
Rental income			
Suzhou Fujian Xingyi LLP (Notes 2 & 8)	Operating lease to related parties	14,498	–
Dongyang Xingkai Commercial operation management Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	9,286	–
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	8,441	7,756
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	4,735	5,166
Tongde Equity Investment and Management (Shanghai) Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	970	863
Beijing Xingyuan Innovation Equity Investment Fund Management Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	359	1,489
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	256	228
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	–	2,470
Suzhou Kentucky Fried Chicken Co., Ltd. (Notes 12 & 8)	Operating lease to related parties	–	1,318
Wuhan Xingyu Zhongchuang Space Management Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	–	255
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 8)	Operating lease to related parties	–	37
New Frontier Health Corporation (Notes 2 & 8)	Operating lease to related parties	–	13
Total rental income		38,545	19,595

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Rental expense			
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 8)	Operating lease provided by related parties	**2,424**	2,197
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 8)	Operating lease provided by related parties	**84**	38
Shanghai Fosun Bund Commercial Co., Ltd. (Notes 11 & 8)	Operating lease provided by related parties	**–**	4,215
Total rental expense		**2,508**	6,450
Interest paid for deposits from related parties			
Taizhou Hangshaotai High-speed Railway Investment Management Partnership (Limited Partnership) (Notes 2 & 5)	Interest paid for deposits	**18,739**	12,611
Shanghai Hongkou Guangxin Microcredit Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	**3,543**	3,477
Tianjin EV Energies Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	**499**	4,195
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	**290**	–
Dongyang Xingkai commercial operation management Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	**13**	157
Nanjing Iron & Steel United Co., Ltd. (Notes 13 & 5)	Interest paid for deposits	**–**	9,055
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 5)	Interest paid for deposits	**–**	224
Nanjing Iron & Steel Co., Ltd. (Notes 13 & 5)	Interest paid for deposits	**–**	142
Total interest paid for deposits from related parties		**23,084**	29,861
Interest paid for loans from related parties			
Beijing Sanyuan Foods Co., Ltd. (Notes 2 & 10)	Interest paid for loans	**79,227**	33,358
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 10)	Interest paid for loans	**–**	24,370
Total interest paid for loans from related parties		**79,227**	57,728

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Other expenses			
Hainan Tianhan Technology Co., Ltd (Notes 2 & 9)	Other service expenses from the related company	11,447	8,053
Fosun United Health Insurance Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	10,696	24,335
Tongde Equity Investment and Management (Shanghai) Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	9,900	10,398
Jiangsu Jinheng Information Technology Co., Ltd (Notes 13 & 9)	Other service expenses from the related company	5,009	15,952
Sinopharm Group Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	4,270	–
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	2,302	416
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	1,753	497
C.Q. Pharmaceutical Holding Co., Ltd (Notes 2 & 9)	Other service expenses from the related company	906	11,649
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	204	193
Huaihai Hospital Management (Xuzhou) Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	156	298
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	95	63
Shanghai Lingjian Information Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	33	–
Beijing Jinxiang Fosun Pharmaceutical Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	30	–
Fosun Nanfeng (Shenzhen) Medical Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	–	8,892
Hainan Haigang Group Co., Ltd. (Notes 3 & 9)	Other service expenses from the related company	–	43
Total other expenses from related parties		46,801	80,789

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Increase of deposits from related companies			
Tianjin EV Energies Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**2,528,206**	3,542,980
Shanghai Hongkou Guangxin Microcredit Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**751,244**	768,460
Taizhou Hangshaotai High-speed Railway Investment Management Partnership (Limited Partnership) (Notes 2 & 5)	Increase of deposits from the related company	**743,735**	2,438,368
Dongyang Xingkai commercial operation management Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**112,210**	251,665
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**95,288**	–
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**75,650**	5,871
Hefei Genesys Microelectronics Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**73,747**	8,006
Zhejiang Dongyang China Woodcarving City Investment and Development Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**58,203**	35,924
Shanghai Qinmiao Technology Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**200**	15
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**4**	1,916
Nanjing Iron & Steel United Co., Ltd. (Notes 13 & 5)	Increase of deposits from the related company	**–**	3,437,151
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 5)	Increase of deposits from the related company	**–**	1,232,809
Nanjing Iron & Steel Co., Ltd. (Notes 13 & 5)	Increase of deposits from the related company	**–**	638,544
Total increase of deposits from related companies		**4,438,487**	12,361,709
Guarantees of bank loans and corporate bonds			
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 4)	Bank loans guaranteed by the related company	**800,000**	–
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 4)	Bank loans guarantee to the related company	**675,000**	–
Tianjin EV Energies Co., Ltd. (Notes 2 & 4)	Bank loans guarantee to the related company	**630,000**	783,110
Hangzhou Fuyu Real Estate Co., Ltd (Notes 2 & 4)	Bank loans guarantee to the related company	**461,331**	462,580
Fosun International Holdings Ltd. (Notes 1, 6 & 4)	Bank loans guaranteed by the related company	**289,984**	383,053
Holiday Hotel AG (Notes 2 & 4)	Bank loans guarantee to the related company	**14,169**	12,585
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 4)	Bank loans guarantee to the related company	**–**	158,100
Kunming Forte Real Estate Development Co., Ltd (Notes 2 & 4)	Bank loans guarantee to the related company	**–**	62,249
Zhuhai Fuyue Industrial Development Co., Ltd (Notes 2 & 4)	Bank loans guarantee to the related company	**–**	57,410
Total Guarantees of bank loans and corporate bonds		**2,870,484**	1,919,087

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2023 RMB'000	2022 RMB'000
Increase of loans to related companies			
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**771,048**	811,540
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**143,205**	4,772
Fosun Kite Biotechnology Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**75,604**	121,139
Tianjin EV Energies Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**49,816**	–
Shanghai Fuyi Industrial Development Co., Ltd (Notes 2 & 10)	Increase of loans provided to the related company	**36,500**	1,464,592
Hefei Genesys Microelectronics Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**8,540**	–
Jiangsu Golden Trade Steel Treasure E-Commerce Co. Ltd. (Notes 13 & 10)	Increase of loans provided to the related company	**–**	30,000
Total increase of loans to related companies		**1,084,750**	2,432,043
Increase of loans provided from related companies			
Xi'an Fuyu Real Estate Development Co., Ltd (Notes 2 & 10)	Increase of loans provided from the related company	**228,440**	–
CMVT Ltd. (Notes 2 & 10)	Increase of loans provided from the related company	**9,264**	–
Nanjing Nangang Iron & Steel United Co., Ltd. (Notes 13 & 10)	Increase of loans provided from the related company	**–**	1,800,000
Total increase of loans provided from related companies		**237,704**	1,800,000
Purchase of right-of-use assets			
Holiday Hotel AG (Notes 2 & 7)	Rental services provided by the related company	**42,589**	–
Total purchase of right-of-use assets		**42,589**	–

61. RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

(1) Fosun International Holdings Ltd. is the ultimate holding company of the Group. Fosun Holdings Limited is the holding company of the Group.

(2) They are associates, joint ventures and other related companies of the Group.

(3) They are non-controlling shareholders of the subsidiaries of the Group.

(4) 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.

(5) Interest paid for deposits from related parties represents interest paid for deposits placed by related parties in Finance Company, a subsidiary of the Group. The deposits from related parties carry interest which are determined in accordance with the benchmark deposit interest rate of PBOC and the prevailing market deposit interest rate. The deposits will be repaid upon demand of the related parties.

(6) These transactions constituted connected transactions or continuing connected transactions of the Group under Chapter 14A of the Listing Rules. They are exempted from the disclosure requirements under Chapter 14A of the Listing Rules.

(7) The directors consider that the sales and purchases were undertaken on commercial terms similar to those offered to/by unrelated customers/suppliers in the ordinary course of business of the relevant companies.

(8) The directors consider that the income for services provided to related companies were determined based on prices available to third party customers.

(9) The directors consider that the fees for services provided by the related companies were determined based on prices charged to third parties by related companies.

(10) The loans provided by/to the related companies are unsecured. The directors consider that the applicable interest rates are determined in accordance with the prevailing market borrowing rates.

(11) They were former associates or joint ventures, but became subsidiaries of the Group in 2022.

(12) They were no longer an associate or joint venture of the Group in 2022.

(13) They were no longer an associate or joint venture of the Group in 2023.

(14) Compensation of key management personnel of the Group:

	2023 **RMB'000**	2022 RMB'000
Short-term employee benefits	**166,974**	176,622
Equity-settled share award/option scheme expenses	**72,555**	93,365
Pension scheme contributions	**469**	465
Total compensation paid to key management personnel	**239,998**	270,452

62. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows:

2023

FINANCIAL ASSETS

	Financial assets at fair value through profit or loss					Financial assets at fair value through other comprehensive income				
	Designated as such upon initial recognition RMB'000	Other investments* RMB'000	Held for trading RMB'000	Hedging instruments designated in fair value hedges RMB'000	Associates measured at fair value through profit or loss RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Cash and bank balances	–	–	–	–	–	–	–	92,459,644	–	92,459,644
Reverse repurchase agreements	–	–	–	–	–	–	–	6,844,927	–	6,844,927
Loans and advances to customers	–	–	–	–	–	–	–	16,097,595	–	16,097,595
Trade and notes receivables	–	–	–	–	–	–	–	14,414,166	–	14,414,166
Due from related companies	–	–	–	–	–	–	–	18,015,068	–	18,015,068
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	–	–	–	20,798,462	–	20,798,462
Placements with and loans to banks and other financial institutions	–	–	–	–	–	–	–	473,054	–	473,054
Derivative financial instruments	–	–	3,377,808	62,202	–	–	–	–	175,666	3,615,676
Financial assets at fair value through profit or loss	–	38,872,265	14,068,921	–	–	–	–	–	–	52,941,186
Finance lease receivables	–	–	–	–	–	–	–	699,545	–	699,545
Debt investments at fair value through other comprehensive income	–	–	–	–	–	72,473,645	–	–	–	72,473,645
Debt investments at amortised cost	–	–	–	–	–	–	–	29,400,296	–	29,400,296
Policyholder account assets in respect of unit-linked contracts	28,143,522	–	–	–	–	–	–	1,299,248	–	29,442,770
Equity investments designated at fair value through other comprehensive income	–	–	–	–	–	–	2,696,542	–	–	2,696,542
Associates measured at fair value through profit or loss	–	–	–	–	11,247,515	–	–	–	–	11,247,515
Total	28,143,522	38,872,265	17,446,729	62,202	11,247,515	72,473,645	72,473,645	200,502,005	175,666	371,620,091

* Other investments include i) financial assets whose contractual cash flows are not solely payments of principal and interest; ii) investments which have not been irrevocably designated as equity investments at FVOCI; and iii) investments which have not been managed within the business model of only holding to collect contractual cash flows or both collecting contractual cash flows and selling the financial assets.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2023 *(Continued)*

FINANCIAL LIABILITIES

	Financial liabilities at fair value through profit or loss				
	Designated as such upon initial recognition RMB'000	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Deposits from customers	–	–	82,216,087	–	82,216,087
Assets sold under agreements to repurchase	–	–	188,063	–	188,063
Accounts payable to brokerage clients	–	–	990,853	–	990,853
Financial liabilities at fair value through profit or loss	–	6,697,408	–	–	6,697,408
Trade and notes payables	–	–	26,407,670	–	26,407,670
Due to banks and other financial institutions	–	–	1,103,458	–	1,103,458
Derivative financial instruments	–	3,919,817	–	119,692	4,039,509
Financial liabilities included in accrued liabilities and other payables	3,385,474*	–	55,855,257	–	59,240,731
Due to related companies and the holding company	–	–	1,033,908	–	1,033,908
Interest-bearing bank and other borrowings	–	–	211,923,910	–	211,923,910
Investment contract liabilities	–	–	37,583,333	–	37,583,333
Financial liabilities for unit-linked contracts	28,143,522	–	1,299,248	–	29,442,770
Total	31,528,996	10,617,225	418,601,787	119,692	460,867,700

* The amount includes the share redemption option granted to non-controlling shareholders of several subsidiaries, of which the fair value change is recognised in reserves due to the nature of the equity transaction with the non-controlling shareholders of the subsidiaries of the Group.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2022 (restated)

FINANCIAL ASSETS

	Financial assets at fair value through profit or loss					Financial assets at fair value through other comprehensive income				
	Designated as such upon initial recognition RMB'000	Other investments* RMB'000	Held for trading RMB'000	Hedging instruments designated in fair value hedges RMB'000	Associates measured at fair value through profit or loss RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Cash and bank balances	–	–	–	–	–	–	–	100,564,000	–	100,564,000
Loans and advances to customers	–	–	–	–	–	–	–	16,162,944	–	16,162,944
Trade and notes receivables	–	–	–	–	–	–	–	13,200,451	–	13,200,451
Due from related companies	–	–	–	–	–	–	–	12,929,293	–	12,929,293
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	–	–	–	23,640,833	–	23,640,833
Placements with and loans to banks and other financial institutions	–	–	–	–	–	–	–	55,010	–	55,010
Derivative financial instruments	–	–	3,061,106	134,147	–	–	–	–	342,085	3,537,338
Financial assets at fair value through profit or loss	–	41,369,818	18,594,401	–	–	–	–	–	–	59,964,219
Finance lease receivables	–	–	–	–	–	–	–	789,562	–	789,562
Debt investments at fair value through other comprehensive income	–	–	–	–	–	63,534,884	–	–	–	63,534,884
Debt investments at amortised cost	–	–	–	–	–	–	–	25,171,823	–	25,171,823
Policyholder account assets in respect of unit-linked contracts	22,163,794	–	–	–	–	–	–	1,113,046	–	23,276,840
Equity investments at fair value through other comprehensive income	–	–	–	–	–	–	2,763,627	–	–	2,763,627
Associates measured at fair value through profit or loss	–	–	–	–	12,209,635	–	–	–	–	12,209,635
Total	22,163,794	41,369,818	21,655,507	134,147	12,209,635	63,534,884	2,763,627	193,626,962	342,085	357,800,459

* Other investments include i) financial assets whose contractual cash flows are not solely payments of principal and interest; ii) investments which have not been irrevocably designated as equity investments at FVOCI; and iii) investments which have not been managed within the business model of only holding to collect contractual cash flows or both collecting contractual cash flows and selling the financial assets.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2022 (restated)

FINANCIAL LIABILITIES

	Financial liabilities at fair value through profit or loss				
	Designated as such upon initial recognition RMB'000	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Deposits from customers	–	–	76,935,942	–	76,935,942
Assets sold under agreements to repurchase	–	–	151,868	–	151,868
Accounts payable to brokerage clients	–	–	3,828	–	3,828
Placements from banks and other financial institutions	–	–	149,062	–	149,062
Financial liabilities at fair value through profit or loss	–	4,306,876	–	–	4,306,876
Trade and notes payables	–	–	24,393,592	–	24,393,592
Due to banks and other financial institutions	–	–	1,141,108	–	1,141,108
Derivative financial instruments	–	2,984,520	–	164,223	3,148,743
Financial liabilities included in accrued liabilities and other payables	2,729,160*	–	58,973,947	–	61,703,107
Due to related companies and the holding company	–	–	3,191,216	–	3,191,216
Interest-bearing bank and other borrowings	–	–	226,919,151	–	226,919,151
Investment contract liabilities	–	–	40,765,932	–	40,765,932
Financial liabilities for unit-linked contracts	22,163,794	–	1,113,046	–	23,276,840
Total	24,892,954	7,291,396	433,738,692	164,223	466,087,265

* The amount includes the share redemption option granted to non-controlling shareholders of several subsidiaries, of which the fair value change is recognised in reserves due to the nature of the equity transaction with the non-controlling shareholders of the subsidiaries of the Group.

63. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2023, the Group endorsed certain notes receivable accepted by banks in Chinese Mainland (the "Endorsed notes") with a carrying amount of RMB236,909,000 (2022: RMB226,335,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"); the Group factored certain notes receivable accepted by banks in Chinese Mainland (the "Factored Notes") with a carrying amount of RMB13,500,000 (2022: nil) to certain factoring companies to finance its operating cash flows (the "Factoring"); in addition, the Group discounted certain notes receivable accepted by banks in the PRC (the "Discounted Notes") to certain banks to finance its operating cash flows (the "Discount") with an aggregate carrying amount of RMB196,235,000 (2022: RMB207,183,000).

In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes Factored Notes and Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled, the Factored Notes and the short-term borrowings, the Discounted Notes and the short-term borrowings. Subsequent to the Endorsement, the Factoring and Discount, the Group did not retain any rights on the use of the Endorsed Notes, Factored Notes and Discounted Notes, including the sale, transfer or pledge to any other third parties.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Derecognised Notes") to certain of its suppliers in order to settle the trade payables due to these suppliers with an aggregate carrying amount of RMB773,660,000 (2022: RMB693,444,000). In addition, the Group discounted certain notes receivable accepted by banks in the PRC to certain banks to finance its operating cash flows with an aggregate carrying amount of RMB998,620,000 (2022: RMB937,379,000). The Derecognised Notes had maturity from one to ten months at the end of the reporting period. In accordance with the relevant laws and regulations in the PRC and relevant discounting arrangement with certain banks, the holders of the Derecognised Notes have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement").

In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

During the year, the Group has recognised a loss of RMB5,080,000 (2022: RMB7,226,000) on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement and the discount have been made evenly throughout the year.

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

	Carrying amounts		Fair values	
	2023	2022	**2023**	2022
	RMB'000	RMB'000	**RMB'000**	RMB'000
		(Restated)		(Restated)
Financial assets				
Loans and advances to customers	**1,042,474**	1,070,416	**1,085,197**	1,058,019
Financial assets included in prepayments, other receivables and other assets	**1,974,238**	–	**1,974,238**	–
Derivative financial instruments	**3,615,676**	3,537,338	**3,615,676**	3,537,338
Financial assets at fair value through profit or loss	**52,941,186**	59,964,219	**52,941,186**	59,964,219
Debt investments at fair value through other comprehensive income	**72,473,645**	63,534,884	**72,473,645**	63,534,884
Debt investments at amortised cost	**29,400,296**	25,171,823	**29,386,205**	25,129,915
Financial assets included in policyholder account assets in respect of unit-linked contracts	**28,143,522**	22,163,794	**28,143,522**	22,163,794
Equity investments designated at fair value through other comprehensive income	**2,696,542**	2,763,627	**2,696,542**	2,763,627
Associates measured at fair value through profit or loss	**11,247,515**	12,209,635	**11,247,515**	12,209,635
Total	**203,535,094**	190,415,736	**203,563,726**	190,361,431
Financial liabilities				
Deposits from customers	**85,862**	85,962	**77,810**	66,574
Financial liabilities at fair value through profit or loss	**6,697,408**	4,306,876	**6,697,408**	4,306,876
Derivative financial instruments	**4,039,509**	3,148,743	**4,039,509**	3,148,743
Financial liabilities included in accrued liabilities and other payables	**9,232,239**	5,619,255	**9,232,239**	5,619,255
Due to related companies and the holding company	**244,358**	1,092,310	**244,358**	1,092,310
Interest-bearing bank and other borrowings	**116,555,663**	120,640,124	**122,783,119**	119,485,397
Financial liabilities for unit-linked contracts	**28,143,522**	22,163,794	**28,143,522**	22,163,794
Total	**164,998,561**	157,057,064	**171,217,965**	155,882,949

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

Management has assessed that the fair values of cash and bank balances, reverse repurchase agreements, finance lease receivables, placements with and loans to banks and other financial institutions, accounts payable to brokerage clients, investment contract liabilities, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets, placements from banks and other financial institutions, due to banks and other financial institutions, due from related companies and assets sold under agreements to repurchase, the amounts expected to be recovered or settled no more than 12 months in loans and advances to customers, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, deposits from customers, due to related companies and the holding company 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 financial assets included in prepayments, other receivables and other assets, financial liabilities included in accrued liabilities and other payables, and interest-bearing bank and other borrowings which are expected to be recovered or settled more than 12 months 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 amounts due to related companies and the holding company, financial liabilities included in accrued liabilities and other payables, and interest-bearing bank and other borrowings which are expected to be recovered or settled more than 12 months as at 31 December 2023 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 31 December 2023, 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 the 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.

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

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.

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, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2023:

Unobservable inputs and sensitivity analysis for Level 3 assets

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

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

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

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

Unobservable inputs and sensitivity analysis for Level 3 liabilities

Significant unobservable valuation inputs for the share redemption option granted to non-controlling shareholders of subsidiaries included in accrued liabilities and other payables is the progress of research and development activities, net profit or EBITDA of the subsidiaries.

Significant unobservable valuation input for other financial liabilities included in accrued liabilities and other payables 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)

ASSETS MEASURED AT FAIR VALUE:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2023				
Derivative financial instruments	**616,201**	**1,794,706**	**1,204,769**	**3,615,676**
Financial assets at fair value through profit or loss	**13,745,622**	**15,736,431**	**23,459,133**	**52,941,186**
Debt investments at fair value through other comprehensive income	**64,729,256**	**5,832,838**	**1,911,551**	**72,473,645**
Financial assets included in policyholder account assets in respect of unit-linked contracts	**24,054,587**	**140,919**	**3,948,016**	**28,143,522**
Equity investments designated at fair value through other comprehensive income	**2,473,230**	**148,807**	**74,505**	**2,696,542**
Associates measured at fair value through profit or loss	**585,487**	**6,572,744**	**4,089,284**	**11,247,515**
Total	**106,204,383**	**30,226,445**	**34,687,258**	**171,118,086**

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

Fair value hierarchy *(Continued)*

ASSETS MEASURED AT FAIR VALUE: *(Continued)*

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2022 (restated)				
Derivative financial instruments	538,473	2,840,342	158,523	3,537,338
Financial assets at fair value through profit or loss	17,581,614	18,921,257	23,461,348	59,964,219
Debt investments at fair value through other comprehensive income	56,839,876	5,392,659	1,302,349	63,534,884
Financial assets included in policyholder account assets in respect of unit-linked contracts	18,538,535	141,465	3,483,794	22,163,794
Equity investments designated at fair value through other comprehensive income	2,651,666	24,542	87,419	2,763,627
Associates measured at fair value through profit or loss	915,136	7,838,465	3,456,034	12,209,635
Total	97,065,300	35,158,730	31,949,467	164,173,497

During the year, the financial assets with a fair value of RMB118,633,000 in Level 2 as at 31 December 2022 were transferred out to Level 1 due to the end of the lock-up period for these equity investments in 2023(2022: RMB1,122,505,000).

The movements in fair value measurements within Level 3 during the year 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	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 2022	87,419	1,302,349	23,461,348	3,483,794	158,523	3,456,034	31,949,467
Total gains recognised in the consolidated statement of profit or loss included in other gains	–	16,510	790,925	226,948	1,025,721	153,771	2,213,875
Total (losses)/gains recognised in other comprehensive income	(7,523)	128,183	–	–	–	–	120,660
Addition	–	719,607	2,446,695	96,380	–	–	3,262,682
Disposals	(6,838)	(356,245)	(3,540,778)	(71,269)	–	(108,190)	(4,083,320)
Disposal of subsidiaries	–	–	(125,535)	–	–	(936,506)	(1,062,041)
Exchange realignment	1,447	101,147	449,473	212,163	20,525	–	784,755
Transfers*	–	–	(22,995)	–	–	1,524,175	1,501,180
As at 31 December 2023	74,505	1,911,551	23,459,133	3,948,016	1,204,769	4,089,284	34,687,258

* During the year, the financial assets with a fair value of RMB1,338,355,000 in Level 3 as at 31 December 2022 were transferred out, and fair value of RMB2,839,535,000 in Level 2 as at 31 December 2022 were transferred in. The transfer was based on the significant input used in the fair value measurement as a whole.

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

Fair value hierarchy *(Continued)*

ASSETS MEASURED AT FAIR VALUE: *(Continued)*

	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	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	–	(629,044)	564,562	(110,752)	44,138	634,005	502,909
Total gains recognised in other comprehensive income	7,452	6,745	–	–	–	–	14,197
Addition	6,928	685,662	3,744,371	2,421,965	77,225	136,233	7,072,384
Disposals	–	(188,537)	(3,140,586)	(27,969)	–	(126,410)	(3,483,502)
Disposal of subsidiaries	–	(6,189)	(4,692)	–	–	–	(10,881)
Included in assets classified as held for sale	–	–	–	–	–	(700,000)	(700,000)
Exchange realignment	(1,318)	(74,073)	1,138,992	143,246	(2,592)	–	1,204,255
Transfers*	–	–	1,029,367	–	–	1,078,880	2,108,247
As at 31 December 2022	87,419	1,302,349	23,461,348	3,483,794	158,523	3,456,034	31,949,467

* During the year, the financial assets with a fair value of RMB1,059,155,000 in Level 3 as at 31 December 2021 were transferred out, and fair value of RMB3,167,402,000 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.

ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	**Significant observable inputs Level 2 RMB'000**	**Significant unobservable inputs Level 3 RMB'000**	**Total RMB'000**
31 December 2023				
Loans and advances to customers	**–**	**–**	**1,085,197**	**1,085,197**
Financial assets included in prepayment, of the receivables and other assets	**–**	**1,974,238**	**–**	**1,974,238**
Debt investments at amortised cost	**23,672,212**	**5,126,206**	**587,787**	**29,386,205**
Total	**23,672,212**	**7,100,444**	**1,672,984**	**32,445,640**
31 December 2022				
Loans and advances to customers	–	–	1,058,019	1,058,019
Debt investments at amortised cost	19,070,664	5,658,195	401,056	25,129,915
Total	19,070,664	5,658,195	1,459,075	26,187,934

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

Fair value hierarchy *(Continued)*

LIABILITIES MEASURED AT FAIR VALUE:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2023				
Financial liabilities for unit-linked contracts	**24,054,587**	**140,919**	**3,948,016**	**28,143,522**
Financial liabilities included in accrued liabilities and other payables	**–**	**–**	**3,385,474**	**3,385,474**
Financial liabilities at fair value through profit or loss	**5,746,472**	**950,936**	**–**	**6,697,408**
Derivative financial instruments	**17,761**	**1,931,544**	**2,090,204**	**4,039,509**
Total	**29,818,820**	**3,023,399**	**9,423,694**	**42,265,913**
31 December 2022				
Financial liabilities for unit-linked contracts	18,538,535	141,465	3,483,794	22,163,794
Financial liabilities included in accrued liabilities and other payables	–	–	2,729,160	2,729,160
Financial liabilities at fair value through profit or loss	3,364,387	942,489	–	4,306,876
Derivative financial instruments	8,579	2,171,566	968,598	3,148,743
Total	21,911,501	3,255,520	7,181,552	32,348,573

64. 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 within Level 3 during the year are as follows:

	Financial liabilities included in accrued liabilities and other payables RMB'000	Financial liabilities for unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Total RMB'000
31 December 2022	**2,729,160**	**3,483,794**	**968,598**	**7,181,552**
Total (gains)/losses recognised in the consolidated statement of profit or loss included in other income	**(47,205)**	**226,948**	**82,698**	**262,441**
Addition	**703,519**	**96,380**	**960,872**	**1,760,771**
Decrease	**–**	**(71,269)**	**–**	**(71,269)**
Exchange realignment	**–**	**212,163**	**78,036**	**290,199**
At 31 December 2023	**3,385,474**	**3,948,016**	**2,090,204**	**9,423,694**
31 December 2021	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	(47,761)	(110,752)	–	(158,513)
Addition	1,047,852	2,421,965	18,735	3,488,552
Decrease	–	(27,969)	–	(27,969)
Exchange realignment	–	143,246	30,382	173,628
At 31 December 2022	2,729,160	3,483,794	968,598	7,181,552

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

Fair value hierarchy *(Continued)*

LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2023				
Interest-bearing bank and other borrowings	**31,918,898**	**90,864,221**	**–**	**122,783,119**
Deposits from customers	**–**	**–**	**77,810**	**77,810**
Due to related companies and the holding companies	**–**	**244,358**	**–**	**244,358**
Financial liabilities included in accrued liabilities and other payables	**–**	**5,846,765**	**–**	**5,846,765**
Total	**31,918,898**	**96,955,344**	**77,810**	**128,952,052**
31 December 2022 (restated)				
Interest-bearing bank and other borrowings	24,266,009	95,219,388	–	119,485,397
Deposits from customers	–	–	66,574	66,574
Due to related companies and the holding companies	–	1,092,310	–	1,092,310
Financial liabilities included in accrued liabilities and other payables	–	2,890,095	–	2,890,095
Total	24,266,009	99,201,793	66,574	123,534,376

65. LIQUIDITY INFORMATION

The Group presents all assets and liabilities to being in order of liquidity in the consolidated statement of financial position. The Group further discloses the amounts expected to be recovered or settled no more/more than twelve months for each asset and liability line item in the table below.

As at 31 December 2023	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
ASSETS			
Cash and bank balances	92,459,644	91,809,939	649,705
Reverse repurchase agreements	6,844,927	6,844,927	–
Loans and advances to customers	16,097,595	15,055,121	1,042,474
Trade and notes receivables	14,414,166	14,414,166	–
Inventories	26,233,846	26,233,846	–
Completed properties for sale	16,598,108	16,598,108	–
Properties under development	46,776,244	43,699,045	3,077,199
Contract assets and other assets	229,266	229,266	–
Due from related companies	18,015,068	17,644,106	370,962
Prepayments, other receivables and other assets	31,953,684	25,958,636	5,995,048
Assets classified as held for sale	2,906,203	2,906,203	–
Placements with and loans to banks and other financial institutions	473,054	40,798	432,256
Derivative financial instruments	3,615,676	2,884,854	730,822
Financial assets at fair value through profit or loss	52,941,186	34,483,856	18,457,330
Finance lease receivables	699,545	246,067	453,478
Reinsurance contract assets	9,117,577	5,848,156	3,269,421
Insurance contract assets	1,803,797	1,246,787	557,010
Debt investments at fair value through other comprehensive income	72,473,645	7,645,481	64,828,164
Debt investments at amortised cost	29,400,296	9,799,024	19,601,272
Policyholder account assets in respect of unit-linked contracts	29,442,770	1,019,981	28,422,789
Equity investments designated at fair value through other comprehensive income	2,696,542	–	2,696,542
Property, plant and equipment	55,226,701	–	55,226,701
Investment properties	93,340,801	–	93,340,801
Right-of-use assets	23,852,435	–	23,852,435
Exploration and evaluation assets	542,140	–	542,140
Mining rights	1,311,399	–	1,311,399
Oil and gas assets	1,974,760	–	1,974,760
Intangible assets	36,790,363	–	36,790,363
Investments in joint ventures	12,584,076	–	12,584,076
Investments in associates	68,254,580	–	68,254,580
Goodwill	29,547,898	–	29,547,898
Deferred tax assets	9,769,597	–	9,769,597
Total assets	808,387,589	324,608,367	483,779,222

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2023	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
LIABILITIES			
Deposits from customers	82,216,087	82,130,225	85,862
Assets sold under agreements to repurchase	188,063	188,063	–
Accounts payable to brokerage clients	990,853	990,853	–
Financial liabilities at fair value through profit or loss	6,697,408	6,697,408	–
Liabilities directly associated with the assets classified as held for sale	79,178	79,178	–
Trade and notes payables	26,407,670	26,407,670	–
Contract liabilities	19,865,129	19,540,492	324,637
Tax payable	13,148,210	13,148,210	–
Due to banks and other financial institutions	1,103,458	1,103,458	–
Derivative financial instruments	4,039,509	3,072,674	966,835
Accrued liabilities and other payables	74,582,013	46,096,804	28,485,209
Due to the related companies	2,199,034	789,550	1,409,484
Interest-bearing bank and other borrowings	211,923,910	95,368,247	116,555,663
Reinsurance contract liabilities	3,103,216	2,920,479	182,737
Insurance contract liabilities	62,811,295	19,902,067	42,909,228
Investment contract liabilities	37,583,333	5,037,346	32,545,987
Financial liabilities for unit-linked contracts	29,442,770	55,777	29,386,993
Due to the holding company	244,358	–	244,358
Deferred income	1,243,012	–	1,243,012
Deferred tax liabilities	21,944,245	–	21,944,245
Total liabilities	599,812,751	323,528,501	276,284,250
NET ASSETS	208,574,838	1,079,866	207,494,972

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2022	Total RMB'000 (Restated)	No more than 12 months RMB'000	More than 12 months RMB'000
ASSETS			
Cash and bank balances	100,564,000	100,071,263	492,737
Loans and advances to customers	16,162,944	15,092,528	1,070,416
Trade and notes receivables	13,200,451	13,200,451	–
Inventories	25,649,708	25,649,708	–
Completed properties for sale	15,028,738	15,028,738	–
Properties under development	62,079,128	56,611,465	5,467,663
Contract assets and other assets	610,268	610,268	–
Due from related companies	12,929,293	12,558,844	370,449
Prepayments, other receivables and other assets	35,442,321	29,963,768	5,478,553
Assets classified as held for sale	19,817,066	18,030,509	1,786,557
Placements with and loans to banks and other financial institutions	55,010	17,895	37,115
Derivative financial instruments	3,537,338	2,879,068	658,270
Financial assets at fair value through profit or loss	59,964,219	35,323,667	24,640,552
Finance lease receivables	789,562	331,208	458,354
Reinsurance contract assets	8,841,570	6,489,684	2,351,886
Insurance contract assets	1,775,046	1,044,031	731,015
Debt investments at fair value through other comprehensive income	63,534,884	9,592,013	53,942,871
Debt investments at amortised cost	25,171,823	10,283,828	14,887,995
Policyholder account assets in respect of unit-linked contracts	23,276,840	1,854,480	21,422,360
Equity investments designated at fair value through other comprehensive income	2,763,627	–	2,763,627
Property, plant and equipment	45,668,203	–	45,668,203
Investment properties	95,743,357	–	95,743,357
Right-of-use assets	21,297,657	–	21,297,657
Exploration and evaluation assets	584,684	–	584,684
Mining rights	480,763	–	480,763
Oil and gas assets	1,890,258	–	1,890,258
Intangible assets	34,278,110	–	34,278,110
Investments in joint ventures	9,903,075	–	9,903,075
Investments in associates	68,653,959	–	68,653,959
Goodwill	27,413,654	–	27,413,654
Deferred tax assets	9,268,677	–	9,268,677
Total assets	**806,376,233**	**354,633,416**	**451,742,817**

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2022	Total RMB'000 (Restated)	No more than 12 months RMB'000	More than 12 months RMB'000
LIABILITIES			
Deposits from customers	76,935,942	76,849,980	85,962
Assets sold under agreements to repurchase	151,868	151,868	–
Accounts payable to brokerage clients	3,828	3,828	–
Placements from banks and other financial institutions	149,062	149,062	–
Financial liabilities at fair value through profit or loss	4,306,876	4,306,876	–
Liabilities directly associated with the assets classified as held for sale	117,467	117,467	–
Trade and notes payables	24,393,592	24,393,592	–
Contract liabilities	24,332,437	23,966,338	366,099
Tax payable	12,078,193	12,078,193	–
Due to banks and other financial institutions	1,141,108	1,141,108	–
Derivative financial instruments	3,148,743	2,120,706	1,028,037
Accrued liabilities and other payables	77,262,805	55,062,509	22,200,296
Due to the related companies	5,104,219	2,098,906	3,005,313
Interest-bearing bank and other borrowings	226,919,151	106,279,027	120,640,124
Reinsurance contract liabilities	3,517,286	3,053,692	463,594
Insurance contract liabilities	59,205,512	15,418,292	43,787,220
Investment contract liabilities	40,765,932	13,274,724	27,491,208
Financial liabilities for unit-linked contracts	23,276,840	109,810	23,167,030
Due to the holding company	122,606	–	122,606
Deferred income	1,231,069	–	1,231,069
Deferred tax liabilities	23,136,678	–	23,136,678
Total liabilities	607,301,214	340,575,978	266,725,236
NET ASSETS	199,075,019	14,057,438	185,017,581

65. LIQUIDITY INFORMATION *(Continued)*

As at 1 January 2022	Total RMB'000 (Restated)	No more than 12 months RMB'000	More than 12 months RMB'000
ASSETS			
Cash and bank balances	96,779,519	96,278,048	501,471
Loans and advances to customers	16,793,872	15,469,317	1,324,555
Trade and notes receivables	10,618,340	10,618,340	–
Inventories	22,263,338	22,263,338	–
Completed properties for sale	14,781,146	14,781,146	–
Properties under development	51,208,864	38,007,620	13,201,244
Contract assets and other assets	36,125	36,125	–
Due from related companies	18,210,088	16,739,960	1,470,128
Prepayments, other receivables and other assets	35,480,359	30,938,636	4,541,723
Assets classified as held for sale	556,217	556,217	–
Placements with and loans to banks and other financial institutions	425,483	389,384	36,099
Derivative financial instruments	3,057,582	1,512,688	1,544,894
Financial assets at fair value through profit or loss	67,608,984	40,009,235	27,599,749
Finance lease receivables	838,689	612,374	226,315
Reinsurance contract assets	7,938,130	4,461,417	3,476,713
Insurance contract assets	6,189,854	2,323,072	3,866,782
Debt investments at fair value through other comprehensive income	80,908,414	19,253,551	61,654,863
Debt investments at amortised cost	25,984,474	6,319,685	19,664,789
Policyholder account assets in respect of unit-linked contracts	12,708,621	2,049,768	10,658,853
Equity investments designated at fair value through other comprehensive income	3,054,695	2,519,203	535,492
Property, plant and equipment	42,387,533	–	42,387,533
Investment properties	67,229,732	–	67,229,732
Right-of-use assets	18,608,758	–	18,608,758
Exploration and evaluation assets	411,330	–	411,330
Mining rights	496,997	–	496,997
Oil and gas assets	1,959,612	–	1,959,612
Intangible assets	27,116,359	–	27,116,359
Investments in joint ventures	33,395,605	–	33,395,605
Investments in associates	92,808,915	–	92,808,915
Goodwill	24,804,818	–	24,804,818
Deferred tax assets	7,947,331	–	7,947,331
Total assets	**792,609,784**	**325,139,124**	**467,470,660**

65. LIQUIDITY INFORMATION *(Continued)*

As at 1 January 2022	Total RMB'000 (Restated)	No more than 12 months RMB'000	More than 12 months RMB'000
LIABILITIES			
Deposits from customers	71,851,392	71,742,751	108,641
Assets sold under agreements to repurchase	1,467,606	1,467,606	–
Accounts payable to brokerage clients	421,560	421,560	–
Placements from banks and other financial institutions	122,735	122,735	–
Financial liabilities at fair value through profit or loss	4,078,714	4,078,714	–
Liabilities directly associated with the assets classified as held for sale	27,151	27,151	–
Trade and notes payables	21,406,410	21,406,410	–
Contract liabilities	20,942,466	20,315,595	626,871
Tax payable	11,896,130	11,896,130	–
Due to banks and other financial institutions	4,375,871	1,541,056	2,834,815
Derivative financial instruments	5,740,791	3,027,559	2,713,232
Accrued liabilities and other payables	56,945,549	37,977,917	18,967,632
Due to the related companies	3,836,309	3,836,309	–
Interest-bearing bank and other borrowings	237,119,485	105,227,290	131,892,195
Reinsurance contract liabilities	2,205,168	2,138,870	66,298
Insurance contract liabilities	70,306,631	19,402,844	50,903,787
Investment contract liabilities	47,160,507	10,841,079	36,319,428
Financial liabilities for unit-linked contracts	12,708,621	109,911	12,598,710
Due to the holding company	2,770,224	–	2,770,224
Deferred income	971,999	–	971,999
Deferred tax liabilities	16,645,826	–	16,645,826
Total liabilities	593,001,145	315,581,487	277,419,658
NET ASSETS	199,608,639	9,557,637	190,051,002

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and other borrowings, finance lease receivables, amounts due from/to related companies, debt investments at amortised cost and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables, trade and notes payables and deposits from customers, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2023, approximately 51% (2022: 54%) of the Group's interest-bearing borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/(decrease) in basis points RMB'000	Increase/(decrease) in profit before tax RMB'000
2023	**75**	**(800,413)**
	(75)	**800,413**
2022	75	(795,371)
	(75)	795,371

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar, Hong Kong dollar and EUR exchange rates, with all other variables held constant, of the Group's profit before tax arising from United States dollar, Hong Kong dollar and EUR denominated financial instruments and the Group's equity, excluding the impact of retained earnings due to the changes of the exchange fluctuation reserve of certain overseas subsidiaries of which the functional currencies are currencies other than RMB.

	Increase/(decrease) in foreign currency rate %	Increase/(decrease) in profit before tax RMB'000
2023		
If RMB weakens against the United States dollar	**5**	**(73,752)**
If RMB strengthens against the United States dollar	**(5)**	**73,752**
If RMB weakens against the Hong Kong dollar	**5**	**194,306**
If RMB strengthens against the Hong Kong dollar	**(5)**	**(194,306)**
If RMB weakens against EUR	**5**	**(1,001,965)**
If RMB strengthens against EUR	**(5)**	**1,001,965**
2022 (restated)		
If RMB weakens against the United States dollar	5	(138,330)
If RMB strengthens against the United States dollar	(5)	138,330
If RMB weakens against the Hong Kong dollar	5	106,634
If RMB strengthens against the Hong Kong dollar	(5)	(106,634)
If RMB weakens against EUR	5	(1,009,845)
If RMB strengthens against EUR	(5)	1,009,845

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Credit risk *(Continued)*

MAXIMUM EXPOSURE AND YEAR-END STAGING

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2023	**12-month ECLs**		**Lifetime ECLs**		
				Simplified approach	
	Stage 1 RMB'000	**Stage 2 RMB'000**	**Stage 3 RMB'000**	**RMB'000**	**Total RMB'000**
Cash and bank balances – Not yet past due	**92,459,644**	**–**	**–**	**–**	**92,459,644**
Loans and advances to customers	**15,479,909**	**329,654**	**631,672**	**–**	**16,441,235**
Trade and notes receivables*	**–**	**–**	**–**	**15,070,834**	**15,070,834**
Due from related companies – Not yet past due	**18,015,068**	**–**	**–**	**–**	**18,015,068**
Financial assets included in prepayments, other receivables and other assets – Normal**	**21,285,913**	**–**	**–**	**–**	**21,285,913**
– Doubtful**	**–**	**167,500**	**799,751**	**–**	**967,251**
Placements with and loans to banks and other financial institutions	**473,054**	**–**	**–**	**–**	**473,054**
Finance lease receivables	**706,863**	**–**	**53,206**	**–**	**760,069**
Debt investments at fair value through other comprehensive income	**71,283,887**	**1,176,144**	**13,614**	**–**	**72,473,645**
Debt investments at amortised cost	**29,002,291**	**134,996**	**501,607**	**–**	**29,638,894**
Policyholder account assets in respect of unit-linked contracts at amortised cost	**29,442,770**	**–**	**–**	**–**	**29,442,770**
Total	**278,149,399**	**1,808,294**	**1,999,850**	**15,070,834**	**297,028,377**

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Credit risk *(Continued)*

MAXIMUM EXPOSURE AND YEAR-END STAGING *(Continued)*

31 December 2022 (Restated)	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Cash and bank balances – Not yet past due	100,564,000	–	–	–	100,564,000
Loans and advances to customers	15,755,199	28,511	603,484	–	16,387,194
Trade and notes receivables*	–	–	–	13,773,458	13,773,458
Due from related companies – Not yet past due	12,929,293	–	–	–	12,929,293
Financial assets included in prepayments, other receivables and other assets – Normal**	24,016,199	–	–	–	24,016,199
– Doubtful**	–	167,500	719,821	–	887,321
Placements with and loans to banks and other financial institutions	55,010	–	–	–	55,010
Finance lease receivables	767,263	–	66,192	–	833,455
Debt investments at fair value through other comprehensive income	62,934,378	591,132	9,374	–	63,534,884
Debt investments at amortised cost	24,553,622	144,989	492,961	–	25,191,572
Policyholder account assets in respect of unit-linked contracts at amortised cost	23,276,840	–	–	–	23,276,840
Total	264,851,804	932,132	1,891,832	13,773,458	281,449,226

* For trade and notes receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2023	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Deposits from customers	68,374,803	14,175,820	87,944	–	82,638,567
Assets sold under agreements to repurchase	–	188,063	–	–	188,063
Accounts payable to brokerage clients	990,853	–	–	–	990,853
Financial liabilities at fair value through profit or loss	–	6,697,408	–	–	6,697,408
Trade and notes payables	3,208,409	23,199,261	–	–	26,407,670
Due to banks and other financial institutions	1,103,458	–	–	–	1,103,458
Derivative financial instruments	2,406,165	666,509	780,379	186,456	4,039,509
Financial liabilities included in accrued liabilities and other payables (excluding lease liabilities)	23,986,260	5,789,943	8,917,501	–	38,693,704
Lease liabilities	–	2,663,206	10,459,700	11,078,771	24,201,677
Due to related companies and the holding company	789,550	–	244,358	–	1,033,908
Interest-bearing bank and other borrowings	–	95,368,247	127,722,153	23,937,399	247,027,799
Investment contract liabilities	–	5,037,346	22,693,448	9,852,539	37,583,333
Financial liabilities for Unit-Linked contracts	55,777	–	29,386,993	–	29,442,770
Total	100,915,275	153,785,803	200,292,476	45,055,165	500,048,719

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk *(Continued)*

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: *(Continued)*

2022 (Restated)	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Deposits from customers	67,867,326	9,334,482	88,047	–	77,289,855
Assets sold under agreements to repurchase	–	151,868	–	–	151,868
Accounts payable to brokerage clients	3,828	–	–	–	3,828
Placements from banks and other financial institutions	149,062	–	–	–	149,062
Financial liabilities at fair value through profit or loss		4,306,876	–	–	4,306,876
Trade and notes payables	3,303,543	21,090,049	–	–	24,393,592
Due to banks and other financial institutions	1,141,108	–	–	–	1,141,108
Derivative financial instruments	1,217,879	1,387,992	237,322	305,550	3,148,743
Financial liabilities included in accrued liabilities and other payables (excluding lease liabilities)	33,218,914	5,275,401	5,347,037	–	43,841,352
Lease liabilities		2,601,195	6,150,283	9,110,277	17,861,755
Due to related companies and the holding company	2,098,906	–	1,092,310	–	3,191,216
Interest-bearing bank and other borrowings	–	106,279,027	127,380,403	29,567,626	263,227,056
Investment contract liabilities	2,206,511	11,068,213	16,857,499	10,633,709	40,765,932
Financial liabilities for Unit-Linked contracts	109,810	–	23,167,030	–	23,276,840
Total	111,316,887	161,495,103	180,319,931	49,617,162	502,749,083

In addition, the guarantees provided by the Group will be called in the case of default in payments by the guaranteed companies as set out in note 59.

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk *(Continued)*

The maturity profile of portfolios of insurance contract issued and portfolios of reinsurance contracts held that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out, is as follows:

2023

Item	Up to 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	3-4 years RMB'000	4-5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Liabilities							
Insurance contract liabilities	**16,287,792**	**8,399,461**	**5,151,685**	**3,261,518**	**2,405,269**	**16,301,109**	**51,806,834**
Reinsurance contract liabilities	**3,262,032**	**(95,955)**	**(36,321)**	**(11,183)**	**(5,374)**	**(3,419)**	**3,109,780**
Total	**19,549,824**	**8,303,506**	**5,115,364**	**3,250,335**	**2,399,895**	**16,297,690**	**54,916,614**

2022 (restated)

Item	Up to 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	3-4 years RMB'000	4-5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Liabilities							
Insurance contract liabilities	13,790,706	7,558,944	5,015,794	3,712,161	2,181,663	15,567,882	47,827,150
Reinsurance contract liabilities	3,799,998	(118,361)	(48,216)	(15,856)	(5,191)	(4,017)	3,608,357
Total	17,590,704	7,440,583	4,967,578	3,696,305	2,176,472	15,563,865	51,435,507

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. When surrender, withdrawal or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations.

Price risk

Price risk is the risk that the fair values of equity and debt investments decrease or increase as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to price risk arising from individual investments classified as financial assets at fair value through profit or loss (note 25), equity investments designated at fair value through other comprehensive income (note 31), debt investments at fair value through other comprehensive income (note 28) and associates measured at fair value through profit or loss (note 40) as at 31 December 2023. The Group's listed investments that are listed on stock exchanges in Hong Kong, Shenzhen, Shanghai, New York, Singapore, and other countries in Europe, Oceania, North America, Latin America, Africa and Asia are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the financial investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments designated at fair value through other comprehensive income, and debt investments at fair value through other comprehensive income, the impact is deemed to be on the other comprehensive income. No account is given for factors such as impairment which might impact the statement of profit or loss, and no account is given for the impact on other life insurance contract liabilities (profit sharing provision).

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Price risk *(Continued)*

2023

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
Hong Kong				
– Equity investments designated at fair value through other comprehensive income	900,684	5	–	45,034
		(5)	–	(45,034)
– Debt investments at fair value through other comprehensive income	4,133,300	5	–	206,665
		(5)	–	(206,665)
– Financial assets at fair value through profit or loss	6,182,761	5	309,138	–
		(5)	(309,138)	–
– Associates measured at fair value through profit or loss	231,351	5	11,568	–
		(5)	(11,568)	–
Shenzhen				
– Financial assets at fair value through profit or loss	761,455	5	38,073	–
		(5)	(38,073)	–
– Associates measured at fair value through profit or loss	185,933	5	9,297	–
		(5)	(9,297)	–
Shanghai				
– Financial assets at fair value through profit or loss	193,066	5	9,653	–
		(5)	(9,653)	–
– Equity investments designated at fair value through other comprehensive income	11,619	5	–	581
		(5)	–	(581)
United States				
– Debt investments at fair value through other comprehensive income	3,856,601	5	–	192,830
		(5)	–	(192,830)
– Financial assets at fair value through profit or loss	2,046,976	5	102,349	–
		(5)	(102,349)	–
Europe				
– Equity investments designated at fair value through other comprehensive income	1,553,272	5	–	77,664
		(5)	–	(77,664)
– Debt investments at fair value through other comprehensive income	48,776,407	5	–	2,438,820
		(5)	–	(2,438,820)
– Financial assets at fair value through profit or loss	4,251,401	5	212,570	–
		(5)	(212,570)	–

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Price risk *(Continued)*

2023 *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
Oceania				
– Financial assets at fair value through profit or loss	4,509	5	225	–
		(5)	(225)	–
– Debt investments at fair value through other comprehensive income	671,106	5	–	33,555
		(5)	–	(33,555)
North America				
– Financial assets at fair value through profit or loss	22	5	1	–
		(5)	(1)	–
– Debt investments at fair value through other comprehensive income	140,838	5	–	7,042
		(5)	–	(7,042)
Latin America				
– Financial assets at fair value through profit or loss	528,781	5	26,439	–
		(5)	(26,439)	–
– Debt investments at fair value through other comprehensive income	8,837,097	5	–	441,855
		(5)	–	(441,855)
Asia				
– Equity investments designated at fair value through other comprehensive income	45,802	5	–	2,290
		(5)	–	(2,290)
– Financial assets at fair value through profit or loss	70,553	5	3,528	–
		(5)	(3,528)	–
– Debt investments at fair value through other comprehensive income	1,561,693	5	–	78,085
		(5)	–	(78,085)
Africa				
– Financial assets at fair value through profit or loss	29,397	5	1,470	–
		(5)	(1,470)	–

* Excluding retained profits

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Price risk *(Continued)*

2022 (Restated)

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
Hong Kong				
– Equity investments designated at fair value through other comprehensive income	1,080,166	5	–	54,008
		(5)	–	(54,008)
– Debt investments at fair value through other comprehensive income	5,509,773	5	–	275,489
		(5)	–	(275,489)
– Financial assets at fair value through profit or loss	7,019,994	5	351,000	–
		(5)	(351,000)	–
– Associates measured at fair value through profit or loss	246,961	5	12,348	–
		(5)	(12,348)	–
Shenzhen				
– Financial assets at fair value through profit or loss	1,649,321	5	82,466	–
		(5)	(82,466)	–
– Associates measured at fair value through profit or loss	454,998	5	22,750	–
		(5)	(22,750)	–
Shanghai				
– Financial assets at fair value through profit or loss	557,523	5	27,876	–
		(5)	(27,876)	–
– Equity investments designated at fair value through other comprehensive income	11,973	5	–	599
		(5)	–	(599)
– Associates measured at fair value through profit or loss	213,178	5	10,659	–
		(5)	(10,659)	–
United States				
– Debt investments at fair value through other comprehensive income	3,503,056	5	–	175,153
		(5)	–	(175,153)
– Financial assets at fair value through profit or loss	2,179,742	5	108,987	–
		(5)	(108,987)	–
Europe				
– Equity investments designated at fair value through other comprehensive income	1,525,268	5	–	76,263
		(5)	–	(76,263)
– Debt investments at fair value through other comprehensive income	40,502,782	5	–	2,025,139
		(5)	–	(2,025,139)
– Financial assets at fair value through profit or loss	6,417,824	5	315,878	–
		(5)	(315,878)	–

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Price risk *(Continued)*

2022 (Restated) *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
Oceania				
– Financial assets at fair value through profit or loss	3,625	5	181	–
		(5)	(181)	–
– Debt investments at fair value through other comprehensive income	480,912	5	–	24,046
		(5)	–	(24,046)
North America				
– Financial assets at fair value through profit or loss	25	5	1	–
		(5)	(1)	–
– Debt investments at fair value through other comprehensive income	132,305	5	–	6,615
		(5)	–	(6,615)
Latin America				
– Financial assets at fair value through profit or loss	375,208	5	18,760	–
		(5)	(18,760)	–
– Debt investments at fair value through other comprehensive income	7,394,875	5	–	369,744
		(5)	–	(369,744)
Asia				
– Equity investments designated at fair value through other comprehensive income	47,333	5	–	2,367
		(5)	–	(2,367)
– Financial assets at fair value through profit or loss	367,541	5	18,377	–
		(5)	(18,377)	–
– Debt investments at fair value through other comprehensive income	1,895,419	5	–	94,771
		(5)	–	(94,771)
Africa				
– Financial assets at fair value through profit or loss	23,598	5	1,180	–
		(5)	(1,180)	–

* Excluding retained profits

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a total debt to total capital ratio, which is total debt divided by total equity plus total debt. Total debt includes interest-bearing bank and other borrowings. Total equity includes equity attributable to owners of the parent and non-controlling interests. The total debt to total capital ratios as at the end of the reporting periods were as follows:

	2023 **RMB'000**	2022 RMB'000 (Restated)
Interest-bearing bank and other borrowings	**211,923,910**	226,919,151
Total debt	**211,923,910**	226,919,151
Total equity	**208,574,838**	199,075,019
Total equity and total debt	**420,498,748**	425,994,170
Total debt to total capital ratio	**50%**	53%

67. EVENTS AFTER THE REPORTING PERIOD

Up to the approval date of financial statements, the Group had no subsequent events to be closed.

68. COMPARATIVE AMOUNTS

As stated in note 2.2, the comparative amounts have been restated to reflect the prior period adjustments relating to the adoption of HKFRS 17 and the change in the presentation of all assets and liabilities to being in order of liquidity.

69. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**33,210,731**	32,429,202
Investments in associates	**198,388**	195,564
Deferred tax assets	**59,091**	19,573
Right-of-use assets	**46,339**	9,459
Debt investments at amortised cost	**–**	296,618
Due from subsidiaries	**1,580,000**	1,580,000
Total non-current assets	**35,094,549**	34,530,416
CURRENT ASSETS		
Cash and bank balances	**1,524,702**	880,936
Financial assets at fair value through profit or loss	**3,669,291**	3,787,625
Derivative financial instruments	**–**	56,000
Prepayments, other receivables and other assets	**934,684**	444,131
Due from subsidiaries	**102,595,371**	102,207,779
Debt investments at amortised cost	**1,202,184**	708,616
Total current assets	**109,926,232**	108,085,087
CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**15,900,296**	17,307,259
Financial liabilities at fair value through profit or loss	**861,738**	841,925
Derivative financial instruments	**208,265**	–
Accrued liabilities and other payables	**327,354**	252,703
Due to subsidiaries	**68,858,366**	64,203,327
Total current liabilities	**86,156,019**	82,605,214
NET CURRENT ASSETS	**23,770,213**	25,479,873
TOTAL ASSETS LESS CURRENT LIABILITIES	**58,864,762**	60,010,289
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**15,421,661**	15,362,036
Due to the holding company	**243,561**	122,606
Other long-term payables	**46,491**	–
Total non-current liabilities	**15,711,713**	15,484,642
Net assets	**43,153,049**	44,525,647
EQUITY		
Share capital	**37,286,880**	37,146,381
Treasury shares (note)	**(326,634)**	(353,338)
Other reserves (note)	**6,192,803**	7,732,604
Total equity	**43,153,049**	44,525,647

Guo Guangchang
Director

Gong Ping
Director

69. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Note:

A summary of the Company's reserves is as follows:

Investments listed in:	Treasury shares RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Fair value reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2022	(254,519)	664,320	(2,233,031)	114,369	9,124,906	7,416,045
Final 2021 dividend	–	–	–	–	(2,148,152)	(2,148,152)
Repurchase of shares	43,473	–	–	–	(577,330)	(533,857)
Equity-settled share-based payments	(142,292)	30,756	–	–	–	(111,536)
Total comprehensive income for the year	–	–	3,951,533	–	(1,194,767)	2,756,766
At 31 December 2022 and 1 January 2023	(353,338)	695,076	1,718,502	114,369	5,204,657	7,379,266
Final 2022 dividend	**–**	**–**	**–**	**–**	**(103,349)**	**(103,349)**
Repurchase of shares	**13,659**	**–**	**–**	**–**	**(194,088)**	**(180,429)**
Equity-settled share-based payments	**13,045**	**14,543**	**–**	**–**	**–**	**27,588**
Total comprehensive loss for the year	**–**	**–**	**634,001**	**–**	**(1,890,908)**	**(1,256,907)**
At 31 December 2023	**(326,634)**	**709,619**	**2,352,503**	**114,369**	**3,016,312**	**5,866,169**

70. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2024.

EXECUTIVE DIRECTORS

Guo Guangchang *(Chairman)*
Wang Qunbin *(Co-Chairman)*
Chen Qiyu *(Co-Chief Executive Officer)*
Xu Xiaoliang *(Co-Chief Executive Officer)*
Qin Xuetang *(resigned on 17 February 2023)*
Gong Ping
Huang Zhen
Pan Donghui *(appointed on 29 March 2023)*

NON-EXECUTIVE DIRECTORS

Zhuang Yuemin *(resigned on 2 February 2023)*
Yu Qingfei
Li Shupei
Li Fuhua *(appointed on 2 February 2023)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

Zhang Shengman *(Chairman)*
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 *(resigned on 17 February 2023)*
Zhang Shengman
Zhang Huaqiao
David T. Zhang
Tsang King Suen Katherine

COMPANY SECRETARY

Sze Mei Ming

AUTHORIZED REPRESENTATIVES

Huang Zhen *(appointed on 17 February 2023)*
Qin Xuetang *(resigned on 17 February 2023)*
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
3 Garden Road
Central
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.
Amgen	Amgen Inc., a company whose shares are listed on the NASDAQ with stock code AMGN
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
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 Smart Logistics Network Limited (菜鳥智慧物流網絡有限公司)
Cenexi	Phixen, *sociétépar actions simplifiée*
CG Code	Corporate Governance Code contained in Appendix C1 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)
EMEA	Europe, Middle East, and Africa
ESG	Environmental, Social and Governance
EUR	Euro, the lawful currency of the Eurozone
FC2M	Fosun/Family Client-to-Maker
FES	Fosun Entrepreneurship/Ecosystem System, 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
Fidelidade or Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A.
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 Foundation	Shanghai Fosun Foundation
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 Industrial Development	Shanghai Fosun Industrial Technology Development Co., Ltd.* (上海復星工業技術發展有限公司)
Fosun Industrial Investment	Shanghai Fosun Industrial Investment Co., Ltd.* (上海復星產業投資有限公司)
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Kite	Fosun Kite Biotechnology Co., Ltd.* (復星凱特生物科技有限公司)
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 Trade	Hainan Fosun Trading Co., Ltd. * (海南復星商社貿易有限公司)
Fosun United Health Insurance	Fosun United Health Insurance Co., Ltd.* (復星聯合健康保險股份有限公司)
Fosun Wealth	Fosun International Securities Limited (復星國際證券有限公司)
FTG	Fosun Tourism Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01992
Gland Pharma	Gland Pharma Limited, a company whose shares are listed on the National Stock Exchange of India Limited and BSE Limited with stock code GLAND
Group or Fosun or us	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
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.
IGI Group	International Gemmological Institute B.V., International Gemmological Institute (India) Private Limited and IGI Netherlands B.V.
INR	Indian Rupee, the lawful currency of India
Intuitive Fosun	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司)
Intuitive Surgical	Intuitive Surgical Inc., a company whose shares are listed on the NASDAQ with stock code ISRG
JEVE	Tianjin EV Energies Co., Ltd.* (天津市捷威動力工業有限公司)
Jianlong Shares	25.7033% equity interest in Tianjin Jianlong Iron & Steel Industrial Co., Ltd. (天津建龍鋼鐵實業有限公司), 26.6667% equity interest in Jianlong Steel Holdings Co., Ltd. (建龍鋼鐵控股有限公司), 26.6667% equity interest in Beijing Northern Jianlong Industrial Co., Ltd. (北京北方建龍實業有限公司), 26.6667% equity interest in Janeboat Holdings Ltd.
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 (復朗集團), a company whose shares are listed on the NYSE with stock code LANV
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A.

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 C3 of the Listing Rules
Multicare	Multicare – Seguros de Saúde, S.A.
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
NYSE	The New York Stock Exchange
Organon	Organon LLC
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 year ended 31 December 2023
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)
Shagang Group	Jiangsu Shagang Group Co., Ltd* (江蘇沙鋼集團有限公司)
Shagang Investment	Jiangsu Shagang Group Investment Holding Co., Ltd.* (江蘇沙鋼集團投資控股有限公司)
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	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
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.*

FOSUN 复星