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FOSUN 复星

復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL SUMMARY

<i>In RMB million</i>	For the year ended 31 December	
	2019	2018 (restated)
Revenue	142,982.1	109,351.6
Health	33,133.0	29,093.3
Happiness	67,557.5	44,936.4
Wealth	43,370.0	36,097.4
<i>Insurance</i>	31,261.9	23,668.5
<i>Finance</i>	2,492.6	2,482.7
<i>Investment</i>	9,615.5	9,946.2
Eliminations	(1,078.4)	(775.5)
Profit attributable to owners of the parent^{note}	14,800.9	13,406.4
Health	1,561.4	1,484.7
Happiness	2,826.7	2,276.5
Wealth	10,412.8	9,645.2
<i>Insurance</i>	2,606.8	2,382.7
<i>Finance</i>	1,501.0	1,245.2
<i>Investment</i>	6,305.0	6,017.3
Earnings per share – basic (in RMB)	1.73	1.57
Earnings per share – diluted (in RMB)	1.73	1.56
Dividend per share (in HKD)	0.40	0.37

Note: Unallocated expenses are allocated to profit attributable to owners of the parent by ratio.

LETTER TO SHAREHOLDERS

Dear distinguished shareholders,

During the Reporting Period, the Group's operating revenue reached RMB143.0 billion, representing a 31% growth as compared to the previous year. Profit attributable to owners of the parent amounted to RMB14.8 billion, representing a 10% growth as compared to the previous year, marking the eighth consecutive year of growth and another new record high. We are grateful to have our shareholders' long-term trust and support throughout these years. To extend our sincere gratitude to our shareholders, all Fosuners will continue to work even harder and devote ourselves to achieving better results.

In early 2020, Coronavirus Disease 2019 (“COVID-19”) broke out and spread globally. The global crisis brought great challenges to the entire world, leaving no individual and enterprise unaffected. As soon as the outbreak took place, Fosun leveraged its global resources advantage and emergently deployed protective resources to help China fight against the epidemic on the frontline. However, as the COVID-19 eventually evolved into a global pandemic affecting all countries, we have now put great emphasis on helping more countries fight against the viruses. Fosun's action to fight the outbreak has won high recognition and great support from Chinese and foreign governments as well as all walks of life, in particular, Fosun's capacity in deploying our global resources is highly recognized.

The virus-borne global crisis threatens everyone's life and health and hits hard the societies, economies and livelihoods of all countries. Fosun instantly studies the potential risks and opportunities faced by all industries in the midst of the crisis. In addition to protecting ourselves from the risks through various means, we also promptly capture the opportunities available for strengthening our businesses by fully leveraging our advantages in global industrial integration and investments. Fosun has experienced numerous economic cycles in the past 28 years of operation since its establishment, we weathered every crisis we faced and grew stronger, so we are confident that we will be able to overcome the crisis again and emerge as an even more resilient global enterprise.

Grasp opportunity arising from China's family consumption industry upgrade in the post-outbreak era

In view of the current situation, China would hopefully be the first to ride out the crisis among all major economies in the world. As a global company rooted in China, Fosun always insisted on its “glocalization” (Global + Local) strategy and has pioneered in introducing many world-class industries into China. Having experienced the outbreak, China will mainly drive economic growth by stimulating domestic demands. This approach coincides with Fosun's aspiration of

becoming an innovation-driven consumer group, therefore, Fosun will make greater efforts to promote the family consumption industries with particular emphasis placed on its products customized for “family”, “healthcare” and “online”, so as to provide better services and high-quality products to more families worldwide.

For instance, parent-child tours and family tours are always the most prominent features of FTG. Atlantis Sanya offers a series of family resort experience such as Aquaventure Waterpark, Dolphin Cay, the Lost Chambers Aquarium and C Shows, creating a new benchmark of Hainan tourism destination as an icon of upgrading v3.0. In 2019, Atlantis Sanya posted business volume of RMB1.31 billion, representing more than 74.2% growth as compared to the previous year, with occupancy rate increased to 68.5%. In 2019, the number of visitors reached around 5.2 million.

Another example is the distinctive health insurance, which Fosun has been always developing for its insurance segment, leveraging its industrial resources in the health business. Fosun United Health Insurance, which was established only three years ago, achieved a premium revenue of more than RMB1.81 billion in 2019, representing a growth of around 250% as compared to the previous year. As a new and distinctive health insurance company, Fosun United Health Insurance endeavors to create a business ecosystem with digital and smart healthcare services. The company earned premium revenue of RMB714 million in 2019 from Internet insurance, representing a growth rate of 154% as compared to the previous year and a share of 39.5% in the company’s total premium revenue.

Furthermore, Fosun has been stepping up its online marketing. For instance, Yuyuan, Fosun’s Happiness flagship which also plays an important role in drawing customer traffic, has been strengthening its online membership marketing in 2019. Its registered online members increased by 103% to 8.75 million in total, of which, the number of online buyers has increased by 136% to 1.89 million with a total member repurchase amount of RMB500 million. “Laomiao”, a brand under Yuyuan, worked with Fosun’s online platform Baihe Jiayuan, launching the hot-selling product package of the year which included Mak Ling Ling’s “Good Luck Charms for Love” pure gold accessory and Baihe Jiayuan’s matchmaking services.

Optimize asset allocation and focus on core businesses

Early this year, Fosun proposed an important keyword for its growth in 2020 – Focus. In the past decade, Fosun has made many ground breaking attempts and explorations in terms of regions, investment and industries. That stage of development has been completed and we are about to enter the new stage of optimizing our asset allocation and focusing on core industries. Our objective is to become one of the leaders in each of the core businesses we engage in. As

such, we have launched the Fosun Business System (FBS) for further empowering and supporting the development of our core businesses.

First of all, we rely on meticulous management to increase operational efficiency. It is always our belief that absolute scale should not be an enterprise's target. In fact, many enterprises which pursue scale expansion through endless leverages at the expense of profitability eventually fail to survive in times of crisis. On the contrary, meticulous management is one of the essential keys to success of many outstanding enterprises. Therefore, highest employee productivity, highest operational efficiency and maximum profitability are what we should pursue. For instance, steel output per capita and profits per capita of Nanjing Iron & Steel, ranked the second and the third respectively among steel enterprises in China. It may not be the largest steel enterprise in China, but it is surely one of the best.

Secondly, we shall increase investment in research and development (“**R&D**”) of technology innovation to create world-class products. Always maintaining competitiveness of products is the key factor for securing industrial leadership, and greater investment in R&D of technology innovation is essential in this regard. Taking our Health business as an example, Fosun has accumulated extensive experience and resources in the industry, and Fosun Pharma is one of the top ten pharmaceutical enterprises in China. Yet, we still continue to invest more in technology innovation of our Health business and make greater efforts in proprietary R&D. Through our global network, we have also cooperated with different leading research institutes to enhance our technology innovation capacity. As such, facing the coronavirus outbreak, Fosun Pharma's subsidiary has cooperated with BioNTech SE to jointly develop vaccines against the COVID-19 through the world-leading mRNA platform. Meanwhile, Fosun Pharma's self-developed COVID-19 nucleic acid test kit was granted CE certification from the European Union and received emergency approval from the National Medical Products Administration (“**NMPA**”) of China.

Thirdly, we shall strengthen our vertical industrial integration capability to create market entry barriers. Every industry leader must have its signature or hot-selling products, but what is more important is the capacity of integration. Fosun never ceases to look for investment opportunities that can strengthen and complement the development of our industrial businesses through our global investment capacity. In May 2019, the funds managed by the Group completed acquisition of FFT, the benchmark enterprise of German Industry 4.0. FFT is a provider of automated and flexible turn-key solutions for production systems to world-class manufacturers such as Daimler, BMW, Volkswagen, Boeing, Airbus and COMAC C919. The acquisition of FFT has further enhanced Fosun's intelligent manufacturing capacity.

Fourthly, we shall emphasize the synergistic advantages within our ecosystem and strive to create hot-selling products through internal business development (BD). As a group which engages in various businesses, Fosun can achieve the result of 1+1>2 through its ultimate advantage in creating synergy across its different business sectors. For instance, Fosun's IDERA platform in Japan, by utilizing its years of experience in real estate investment and asset management, not only facilitated the launch of the Tomamu Ski Resort in Hokkaido, Japan, but also completed property construction and renovation and introduced Club Med, a brand under the FTG to Japan. Through meticulous management and Fosun's global marketing capabilities, Tomamu Ski Resort saw a 50% increase in its number of guests per year and a 300% increase in its gross operating profit compared to the time prior to the acquisition.

Emphasize the importance on the evolution of organizational structure in times of crisis

In the face of the challenge brought by the once-in-a-century global crisis, Fosun will look for opportunities and pursue innovations and breakthroughs in its businesses. We will also look squarely at the challenge which the entire organizational structure faces under the crisis. To deal with the unexpected COVID-19, Fosun has promptly formulated a wartime mechanism and deployed global resources to support the fight against the epidemic. During the course of the action, Fosun has improved its organization, gained a deeper understanding of our advantages in globalization and ecological organization, and realized the extent of strength the Group is able to unlock under the wartime mechanism. In order to further concentrate on developing each core business into one of the leading enterprises in the sector, this year, Fosun will continue to evolve our organizational structure, increase our operational efficiency and optimize our asset allocation.

Not long ago, management role adjustment took place among Fosun's senior executives, Wang Qunbin was re-designated as Co-Chairman, and Chen Qiyu and Xu Xiaoliang were appointed as Co-Chief Executive Officers (Co-CEOs). Our business frontline senior executives Gong Ping and Pan Donghui were re-designated as the Group's Chief Financial Officer (CFO) and Chief Human Resources Officer (CHO) respectively, and Tang Bin was appointed as the Group's Chief Investment Officer (CIO). Such move has marked our first round of management evolution and could further enhance our top-level planning, while we could also consolidate and strengthen our existing businesses and segments, so that Fosun will become more energetic and competitive. In addition, the wartime mechanism has also forced the organization to step out of its comfort zone, as a result, helping enhance the operational efficiency of the headquarters and all businesses. Particularly, we can further intensify the talent cooperation management mechanism through the "271 management model", so every Fosuner can give their best on the Fosun platform.

During the 28 years of operation since its establishment, Fosun has always stayed vigilant in peacetime and made stable yet bold progress for sustainable growth. In the past few years, we continued to reduce the debt-to-asset ratio. As at the end of the Reporting Period, our total debt to total asset ratio was 53.5%. We also continue to optimize and develop various financing channels. In 2019, we successfully issued our first Chinese high-yield public offering bond denominated in euros, demonstrating the implementation of our financing principles of diversification, internationalization and decentralization. Such high-yield euro bond provided our global investors an opportunity for subscribing a high-quality asset investment with long-term and stable return.

In the face of the once-in-a-century global crisis, we believe Fosun can deal with all possible issues calmly and even turn crisis into opportunity by stepping up innovation, fostering evolution and enhancing capabilities. As an enterprise with global vision, Fosun will be able to leverage its worldwide resources to identify more opportunities in this crisis. It will also actively pursue asset optimization and integration of its businesses, with a view to developing into a world-class consumer group.

Once again, I would like to extend my sincere gratitude to every shareholder and everyone who has supported and helped Fosun, thank you for your trust and support. We will continue to create greater value for all shareholders!

Guo Guangchang
31 March 2020

Global Capability, Global Responsibility, A Record of Fosun's Efforts in Fighting Against the Epidemic

Mobilizing global resources, deploying scarce medical supplies to support the world fight against the epidemic

Since the outbreak of COVID-19, Fosun leveraged its global network and initiated a global medical supplies deployment plan on 24 January 2020. Under the direct supervision of Chairman Guo Guangchang and Co-Chairman Wang Qunbin of the Company, Fosun established a global medical supplies allocation working group, and gradually built a global procurement network covering 23 countries including: Japan, India, the United Kingdom, Germany, Spain, Portugal, Russia, Italy, France, the United States, Brazil, Israel, South Korea, Greece, and Poland. With the support of powerful supply chain and global resource coordination capabilities, Fosun's first urgent procurement of 50 thousand protective suits from Germany took only 4 days from purchase to arrival in Shanghai.

Leading in technology and innovation, in support of scientific and effective epidemic prevention and control

Leveraging its strengths, profound experience, and strong innovation capabilities in the healthcare industry, Fosun is able to expedite the development of a vaccine for COVID-19. On 15 March, Fosun Pharma announced that Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("**Fosun Pharma Industrial**"), its holding subsidiary, has been licensed by BioNTech SE to exclusively develop and commercialize COVID-19 vaccines based on its proprietary mRNA technology platform in China. According to the agreement, Fosun Pharma Industrial is responsible for the clinical trials, marketing application, and sales & marketing of the vaccine in Chinese mainland, Hong Kong, Macao, and Taiwan ("**the Region**"), and all associated overhead costs and expenses. BioNTech SE will be responsible for providing technical materials and preclinical research data required for clinical trial applications in the Region, cooperating with clinical trials in the Region, and supplying products for related clinical trials and sales & marketing.

On 26 March, the COVID-19 nucleic acid test kit developed by Shanghai Fosun Long March Medical Science Co., Ltd., a wholly-owned subsidiary of Fosun Pharma, obtained the emergency approval from the NMPA of China.

Additionally, Breas (Shanghai) Medical Technologies Co., Ltd. and Beijing Beiling Special Automobile Co., Ltd., both member companies of Fosun Pharma, have contributed to front-line epidemic control and prevention efforts by conducting research & development, production,

and donations of urgent and scarce supplies such as non-invasive ventilator and negative pressure ambulance.

Supporting the front line to fight against the epidemic, through organizing medical professionals and patient care resources

Fosun also has leading medical and healthcare personnel resources on both national and provincial levels. On 23 January, the Group's Wuhan Jihe Hospital was appointed the "Infectious Disease Ward of Caidian District in Wuhan City", served as the designated hospital for centralized treatment of patients with fever in Caidian District of Wuhan City. On 22 January, Chancheng Hospital, ranked first in consecutive years among private hospitals in the country, was appointed the only designated point hospital for the epidemic in Foshan Chancheng District.

On 25 January, the management and experts of Fosun Healthcare Holdings arrived at the front line of Wuhan and devoted themselves into the prevention and control of the epidemic. On 6 February, Fosun Medical Group's first wave of Hubei bound medical teams gathered on the front lines of Caidian, Wuhan. The team consisted of nearly 30 professionals hailing from: Xuzhou Mining General Hospital, Foshan Chancheng Central Hospital, Shenzhen Hengsheng Hospital, Yueyang Guangji Hospital, Suqian Zhongwu Hospital, and Wenzhou Geriatric Hospital, covering from specialists in hospital infection management, internal medicine, ICU, integrated traditional Chinese and western medicine, as well as a material and logistics support team.

27 hospitals under Fosun have been designated hospitals to treat COVID-19 patients. Fosun has over 240 medical personnel fighting in the front line of Hubei. Since 14 March, Wuhan Jihe Hospital no longer served as a designated hospital. It accounted for 515 cured and discharged patients in 51 days. In addition, the mortality and infection rate of medical staff were both zero.

Utilizing global capability, and assuming global responsibility to help prevent and control the epidemic

In the face of the ever-escalating risk of the pandemic overseas, Fosun quickly organized and established 24 Anti-COVID-19 working committees covering 10 provinces and regions in China, as well as 14 overseas countries & regions. They ensured the normal operations of local member companies of Fosun, promoted the collaboration of local resources, and strengthened care towards employees' health and families. At the same time, Fosun has also issued multiple epidemic resistance and resumption of work guidelines for employee, as well as produced

“Fosun Global Employee Care and Protection Manual” in multiple languages, and has insisted on the continual health status self-reporting of all global employees.

On 1 March, Fosun officially launched the second phase of its fighting against COVID-19 by urgently deploying global resources to support the overseas countries to fight against the epidemic. As at 31 March, Fosun has deployed 2.523 million medical supplies including masks, protective suits, nucleic acid test kits, etc., to key countries with rapid epidemic outbreak, including Italy, the United States, France, Germany, the United Kingdom, Portugal, Japan, South Korea and India.

On 5 March, Fosun Foundation and Fosun’s member company donated 5,000 “red-zone” masks to Milan’s municipal government on behalf of Fosun Foundation, and received a thank you letter from Giuseppe Sala, the mayor of Milan. Fosun has donated 4 batches of medical supplies to Italy. On 24 March, Clemens von Goetze, Ambassador of Germany to China wrote a “Letter of appreciation” to particularly extend its gratitude to Fosun, for the kind donation of protective supplies at such a critical time to Germany. On 30 March, Fosun’s first chartered flight carrying over one million pieces of medical supplies weighing over 120,000 tons from Shanghai landed at Lisbon Airport. This batch of supplies includes 50,000 medical supplies and 20,000 nucleic acid test kits donated by Fosun Foundation and Fosun’s member companies in Portugal, as well as one million KN95 masks purchased by Fosun member company, Luz Saúde. Fosun will continue to deploy medical protection supplies and nucleic acid test kits to overseas countries through its global procurement network and help the world to fight against the epidemic.

BUSINESS OVERVIEW

As an innovation-driven consumer group, the Group continued to focus on expanding its three business lines – Health, Happiness and Wealth, and enhancing its operational capabilities and product competitiveness, in order to maintain a sustainable and healthy growth across its global business.

Review on Financial Highlights

In 2019, the Group reported its best ever a year with a new record high for revenue of RMB142.98 billion, representing a year-on-year growth of 31%. Specifically, 55% of the revenue came from Chinese mainland, and 45% came from overseas countries and regions. Profit attributable to owners of the parent was RMB14.80 billion, representing a year-on-year growth of 10%. Profit attributable to owners of the parent of Happiness business increased significantly by 24%. Industrial operating profit was RMB11.13 billion, representing a year-on-year growth of 21%. Over the past eight years, the compound annual growth rate of profit attributable to owners of the parent reached 23%, and the compound growth rate of book value per share reached 16%.

The revenue of the top five industrial companies accounted for 81%, with an average year-on-year growth rate of 22%. Among them, Fosun Pharma (representing 20% of total revenue) increased by 15% year-on-year, Yuyuan (representing 30% of total revenue) increased by 26% year-on-year, FTG (representing 12% of total revenue) increased by 7% year-on-year, Fosun Insurance Portugal (representing 13% of total revenue) increased by 40%¹ year-on-year, and Peak Reinsurance (representing 6% of total revenue) increased by 31%¹ year-on-year.

As at the end of the Reporting Period, the Group's total debt to total capital ratio was 53.5%, compared to 53.7% as of 31 December 2018. The Group's average cost of debt was 5.06% during the Reporting Period compared to 4.97% in 2018.

The Group's ROE of the Reporting Period was 12.8% which remained the same as in 2018. The average ROE from 2014 to 2019 is 13.3%.

As at the end of the Reporting Period, the management-adjusted net asset value (NAV) per Share was HKD24.0.

Following the strong financial results in 2019, the Board proposed to declare a final dividend of HKD0.27 per Share for the year ended 31 December 2019. Together with the interim

Note 1: The revenue of 2018 and 2019 are translated using the average exchange rate of the respective year.

dividend, the total dividends for the year are HKD0.40 per Share, representing a dividend payout ratio of 20.3% with a compound growth rate of 24% during the past 4 years and a dividend yield of 3.5%, based on the stock price as at the end of 2019.

Review on Business Highlights

Health Business

The Group's Health business focuses on innovation-driven pharmaceutical manufacturing and health services, leading the innovation of technology and ecological mode. In terms of innovation, the Group adheres to the strategies of innovation, internationalization, integration and intelligence. At present, the Group has formed an interactive and integrated R&D system in China, the United States, India, and Israel, and created an international R&D platform for biopharmaceutical drugs, small molecule chemistry drugs, cell-mediated immunity, and high-value generic drugs. The Group has also created a blockbuster product through multi-level docking of a global team of outstanding scientists, leading technology and high-value products, and through supporting domestic and foreign professional, branded, and digital marketing modes. The Group also relies on ecological layout and synergy to build a core business of health services. The Group strengthened the construction of intelligent medical / internet technology through the deployment of high-quality race tracks such as health insurance, high-quality medical services, and healthcare to improve scale and operational efficiency, and explored innovative business modes.

During the Reporting Period, the total revenue of Health business was RMB33.13 billion, representing an increase of 14% from RMB29.09 billion in 2018. Revenue of pharmaceutical manufacturing and R&D, medical and health services, and medical equipment and diagnosis under Health business represented 65%, 24% and 11% of the total Health business revenue of the Group, respectively. Profit attributable to owners of the parent was RMB1.56 billion, representing an increase of 5% from RMB1.48 billion in 2018.

- With the development of existing cutting-edge products and technologies, Fosun Pharma will establish and consolidate its leading position in biopharmaceutical. Through independent R&D and diversified cooperation models (international cooperation, innovation incubation, and VC investment), Fosun Pharma connects with global teams of outstanding scientists to create leading technologies and high-value products. Through continuous R&D efforts, Fosun Pharma's innovation capabilities have been further enhanced. In 2019, R&D investment reached RMB3.46 billion, accounting for 12% of revenue. Important progress has been made in the development of innovative drugs:
 - i. Fosun Kite, submitted the new drug application in February 2020 and was included

- in the priority review, and has become a leading industrialization platform of T-cell therapy in China.
- ii. Leading biotechnology company Shanghai Henlius developed Hanlikang® which was approved to register and market in February 2019 and was launched for sale in May 2019. Shanghai Henlius' New Drug Applications of two products have been accepted by the NMPA of China, and Marketing Authorisation Application of one product has been submitted and accepted in the European Union and several antibody products are currently under development;
 - iii. Fosun Orinove's innovative target project, Orin1001, was approved clinically in the United States and obtained fast-track certification, and was approved clinically in China in January 2020.
 - iv. A small-molecule innovative drug of Chongqing Fuchon Pharmaceutical Research Co., Ltd. for the treatment of hyperuricemia and gout has been approved for clinical use. As at the end of 2019, a total of nine projects were in clinical stage.
- The development of Wanbang Pharma, has accelerated and achieved a ten-fold rapid growth in ten years by integrating state-owned enterprise resources, marketing reform, and R&D leadership. Among them, YouLiTong, the star product created by the synergy of Fosun's ecosystem, has achieved continuous growth in sales revenue since 2014.
- During the Reporting Period, Luz Saúde, a leading private healthcare provider group in Portugal, completed the first phase of the expansion with the construction of the new building and initiated the second phase (existing building restructuring and refurbishment) of Hospital da Luz Lisboa. In the future, Hospital da Luz Lisboa will complete the expansion by finishing the second phase and refurbishing of the existing building, thus increasing service capacity by 80% and further reinforce its market leadership position. In terms of business synergy, Luz Saúde cooperated with Fosun Insurance Portugal to build the ecology synergy of insurance + private hospital.
- Starcastle Senior Living, a senior living project incubated by the Group, is gradually becoming a leader in the healthcare industry through its solid operating experience in the senior living community. Relying on the real estate and medical industry capabilities to achieve a 0-1 incubation of the senior living business, in 2013, its first project, Starcastle Zhonghuan Senior Living Community (Phase I) opened, and was a great success, with a stable occupancy rate of more than 90% over two years and profitable operations. In 2016, the Starcastle Pujiang Senior Living Community pioneered the membership management pattern, which was proved after its light-asset operation made a profit. It began to promote 1-N replication and expansion, and entered Ningbo, Suzhou, Beijing, Tianjin and other cities.

Happiness Business

The Group's Happiness business targets the mid-to-high-end household customer base, focusing on contents, models, and products, and connecting online platforms with offline scenarios. The Group has laid out a number of Happiness industries to gain advantages of industrial synergies. Relying on the industrial development platform, the Group has continuously promoted the integration of industrial and urban development. Through building online member platforms such as the "Foryou Club" and "Dongjia", the Group creates rich offline scenes in Happiness industries to fully promote Fosun's Happiness business.

In 2019, total revenue of the Happiness business was RMB67.56 billion, representing an increase of 50% from RMB44.94 billion in 2018; brand consumption and tourism and culture income of Happiness business accounted for 73% and 27% of the Group's Happiness business income, respectively; profit attributable to owners of the parent was RMB2.83 billion, representing an increase of 24% from RMB2.28 billion in 2018.

- Yuyuan is committed to becoming the world's first-class group in the family entertainment and consumption industry group with roots in China that leads the trend of Chinese cultural revival. In 2019, the performance of Yuyuan jewellery and fashion business has rapidly increased. The business builds hit products including Gu Yun Jin, Wan Baobao series and Mak Ling Ling series. In 2019, there is a net increase in the number of stores from 669 to 2,759, with a 23% year-on-year growth to a revenue of RMB20.46 billion.
- FTG is one of the world's leading leisure-focused integrated tourism groups and committed to making families around the world happier. In 2019, Club Med has continued to consolidate its leading position in the resort industry with its rapid business growth, and opened four new resorts which have received nearly 1.5 million customers worldwide throughout the year. Atlantis Sanya, the first tourism destination project of FTG located in Sanya, has achieved outstanding results, with a business volume of RMB1,312.1 million in 2019, an adjusted EBITDA rate of about 43%, 5.2 million visitors throughout the year, and more than 1.8 billion user-generated contents on Tiktok.

Wealth Business

The Group's Wealth business focuses on insurance-based financial underlying assets and on the basis of achieving synergy among insurance, industry and asset allocation, it also supports innovation-driven investment layout and forms three major industry characteristics – "Insurance + Industry" (Insurance + Medical Care & Insurance + Tourism & Insurance + Senior

Living & Insurance + Health Management), “Insurance + Finance + Asset Allocation” and “Finance + Technology”.

The optimization of capital allocation and collaboration with overseas asset management platforms greatly improve the return on investment and significantly improve the market position of asset management platforms. Relying on flexible global asset allocation and rich choice of investment asset categories, the investment return rate and overall profit of investors (such as insurance companies) are improved. At the same time, the asset management platform has also improved its asset management scale and financing capacity, and its investment capacity has been strengthened.

In 2019, total revenue of Wealth business was RMB43.37 billion, representing an increase of 20% from RMB36.10 billion in 2018. The income from household finance, corporate finance, and investment accounted for 54%, 24%, and 22% of the Group’s total Wealth business income, respectively. Profit attributable to owners of the parent was RMB10.41 billion, which was an increase of 8% compared to RMB9.65 billion in 2018.

The Insurance segment realized profit attributable to owners of the parent of RMB2.61 billion in 2019, up by 9% from RMB2.38 billion in 2018.

- Fosun Insurance Portugal is committed to building a global insurance company with stable finance and balanced business portfolio. In 2019, Fosun Insurance Portugal continued to strengthen its core businesses, with the market share of life and non-life insurance businesses accounting for 23.6% and 27.9%, respectively. By strengthening the data transformation, the operation efficiency of Fosun Insurance Portugal has been further improved. The time of health insurance compensation has been shortened by 80%, and the time of vehicle insurance compensation has been saved by more than 30%. In 2019, Fosun Insurance Portugal adhered to the international expansion strategy. Specifically, Fidelidade completed the acquisition of La Positiva’s control stake, which is Peru’s fourth largest insurance company. At the same time, Fidelidade has also obtained the operating license of Chile, set up a Chinese representative office and signed memoranda of cooperation with a number of domestic insurance companies.

- The premium income of Pramerica Fosun Life Insurance in 2019 was RMB4,064.6 million, representing a year-on-year increase of 222.6%. Pramerica Fosun Life Insurance has achieved excellent results in building the “Jinzhixia” insurance marketing team.

The Finance segment realized profit attributable to owners of the parent of RMB1.5 billion in 2019, up 21% from RMB1.25 billion in 2018.

- The German private bank H&A has steadily increased its ROE to the top three in the industry by promoting synergy and increasing scale. As at the end of the Reporting Period, H&A's assets under control reached EUR142.0 billion, a year-on-year increase of 14.5%, and ROE reached 11%. At the same time, H&A has also increased its investment in science and technology, aiming to create a leading platform for financial technology. Through the development of online asset management platforms, its product yield in 2019 was among the best in the industry.

The Investment segment realized profit attributable to owners of the parent of RMB6.31 billion in 2019, up 5% from RMB6.02 billion in 2018.

- As a first-class private equity fund manager in China, Fosun Capital managed seven funds with an asset management scale of nearly RMB16 billion as at the end of the Reporting Period. In 2019, the fund management team led the acquisition of 100% equity interest in FFT GmbH & Co. KGaA, a German Industry 4.0 benchmarking enterprise. A total of three invested enterprises managed by the fund realized initial public offering (“IPO”), and two invested enterprises realized merger and acquisition of listed companies.

Keyword for the growth of Fosun in 2020 – “Focus”

After its establishment in 1992 and nearly nineteen years of industrial entrepreneurship, the Group formed three major businesses, namely pharmaceutical, property and manufacturing in 2010. In the following decade, the Group adhered to “China’s momentum integrated with global resources” combined with “Deep industrial operations and Industrial investment,” and formed a “global + 2C (to Customer) + innovation” industrial footprint. Today, Fosun’s strategic deployment, regional deployment and industrial deployment have been basically in-position. In mid-2019, the Group proposed to become an “innovation-driven consumer group”.

In early 2020, the Group put forward a strategic focus through which the business competitiveness and ROE will be enhanced. Strategically, we will focus on family customers, C2M, innovation and ecological coordination; in terms of industry, we will focus on deepening industrial operation, and create the good products and brands with the high ROE; in terms of investment, we will focus on strategic holding investment to strengthen the existing industrial segments and the leading scientific and technological innovation; regionally, we will further develop existing key regional markets, including China, Europe, the United States and emerging markets.

In 2020, we will also strategically focus on underlying assets and high-growth assets to improve ROE; and allocate innovation-driven assets.



Investment Criteria for Innovation-Driven Assets:

- Focus on long-term potential and competitive investments and innovation-driven sector
- Invest in excellent teams and capture frontier innovation opportunities
- High synergy among Health, Happiness and Wealth businesses

Investment Criteria for High-Growth Assets:

- Continue to build superior products and brands in core sectors
- Target ROE \geq 15% and core assets with high profit growth
- Excellent team with innovative and industrial integrating abilities

Investment Criteria for Underlying Assets:

- Industry leaders in the sector
- Contribute sustainable profits and cash flow to the Group
- High potentials in value growth

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, total assets of the Group amounted to RMB715,681.2 million, representing an increase of approximately 12.0% in the end of 2018. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB14,800.9 million, representing an increase of approximately 10.4 % over the same period in 2018.

ASSET ALLOCATION OF THE GROUP

Unit: RMB million

Segment	Total assets as at 31 December 2019	Total assets as at 31 December 2018 (restated)	Change from the end of 2018
Health	91,740.1	86,877.6	5.6%
Happiness	178,393.9	145,825.6	22.3%
Wealth	461,507.4	422,080.1	9.3%
Insurance	209,784.5	185,550.3	13.1%
Finance	77,278.8	76,530.8	1.0%
Investment	174,444.1	159,999.0	9.0%
Eliminations	(15,960.2)	(15,899.5)	N/A
Total	715,681.2	638,883.8	12.0%

Corporate Structure^{1 2 3} (as of 31 December 2019)

Health			Happiness			Wealth			
Pharmaceutical	Medical Services & Health Management	Health Products	Tourism & Leisure	Fashion	Consumer & Lifestyle	Insurance	Finance	Investment	
Fosun Pharma ⁴ 38.10%	Fosun United Health Insurance 20%	Silver Cross 90.11%	FTG 80.97%	FFG 83.40%	Yuyuan 68.53%	Fosun Insurance Portugal ¹⁵ 84.9884%	H&A 99.91%	Fosun Capital 100%	Nanjing Nangang 60%
Shanghai Henlius	Luz Saúde ⁵ 99.85%	Sanyuan Foods ⁶ 20.45%	Club Med	LANVIN ⁸ 70.36%	Tsingtao Brewery ¹³ 15.67%	AmeriTrust 100%	BCP 27.25%	IDERA 98%	Hainan Mining 51.57%
Sisram Med	Starcastle Senior Living 100%	St Hubert ⁷ 98.12%	Atlantis Sanya	Tom Tailor ⁹ 77.83%	AHAVA ¹⁴ 100%	Peak Reinsurance 86.51%	Fosun Hani Securities 100%	Cainiao 5.81%	FFT ¹⁶
Gland Pharma	Chancheng Hospital			Wolford ¹⁰ 58.45%	Baihe Jiayuan 69.18%	Pramerica Fosun Life Insurance 50%	Mybank 15.22%	Bund Finance Center 50%	
Sinopharm				Caruso ¹¹ 73.79%	Wolves 100%	Yong'an P&C Insurance 40.68%	Guide 70.9%	28 Liberty 100%	
				St. John ¹² 68.9074%					

Notes:

1. This simplified corporate structure illustrates the key investments of the Group only. The equity percentage reflects the total direct shareholdings held by the Group, associates, joint ventures and funds managed by the Group as at 31 December 2019.
2. The companies marked in the dotted-line borders are invested by Fosun Pharma. For specific information, please refer to the disclosure of Fosun Pharma.
3. The companies marked in the shaded boxes are invested by FTG. For specific information, please refer to the disclosure of FTG.
4. As at the date of the announcement, the equity interest held by the Group in Fosun Pharma increased to 38.15% through purchasing the shares of Fosun Pharma from the secondary market.
5. The Company and Fidelidade held 49% and 50.85% equity interest in Luz Saúde, respectively. Therefore, the Group held 92.22% effective equity interest in Luz Saúde.
6. The Company through its wholly-owned subsidiary and a fund under management of the Group, held 16.67% and 3.78% equity interest, respectively, in Sanyuan Foods. The Group held 37.25% effective equity interest in such fund. Therefore, the Group held 18.08% effective equity interest in Sanyuan Foods.
7. St Hubert SAS was held 98.12% by an associate of the Group in which the Group held 51% equity interest.
8. Jeanne Lanvin SAS was held 70.36% by an associate of the Group in which the Group held 83.40% equity interest.
9. The Company and a wholly-owned subsidiary of Yuyuan held 47.83% and 29.99% equity interest in Tom Tailor respectively. Therefore, the Group held 68.38% effective equity interest in Tom Tailor.
10. Wolford was held 58.45% by an associate of the Group in which the Group held 83.40% equity interest.
11. Raffaele Caruso S.p.A. was held 73.79% by an associate of the Group in which the Group held 83.40% equity interest.
12. St. John Knits International, Incorporated was held 68.9074% by an associate of the Group in which the Group held 83.40% equity interest.
13. Tsingtao Brewery was held 11.64% by two wholly-owned subsidiaries of the Company, 1.64% and 0.25% by Fidelidade and Peak Reinsurance, respectively, and 2.14% by a fund managed by the Group. Therefore, the Group held 13.25% effective equity interest in Tsingtao Brewery.
14. The Company through its subsidiary held 100% equity interest in AHAVA. Such subsidiary was owned 84.28% effective interest by the Group. Therefore, the Group held 84.28% effective equity interest in AHAVA.
15. The Company through its wholly-owned subsidiary held 84.9884% equity interest in Fidelidade, 80% equity interest in Multicare and 80% equity interest in Fidelidade Assist  ncia.
16. FFT was 100% held by an associate of the Group which was invested through the funds managed by the Group.

HEALTH

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

Unit: RMB million

	For the 12 months ended 31 December 2019	For the 12 months ended 31 December 2018	Change over the same period of last year
Revenue	33,133.0	29,093.3	13.9%
Profit attributable to owners of the parent	1,561.4	1,484.7	5.2%

During the Reporting Period, the increase in revenue of the Health business was mainly attributable to the continuous and steady growth of Fosun Pharma's revenue. The increase in profits attributable to owners of the parent was mainly due to the increase in profits of Fosun Pharma, which was partly offset by the decrease of the health investment gain.

Fosun Pharma

Adhering to the brand philosophy of "Innovation for Good Health", Fosun Pharma and its subsidiaries ("**Fosun Pharma Group**") are striving to become a first-tier enterprise in the global mainstream pharmaceutical and healthcare market. In 1994, the predecessor of Fosun Pharma was founded, and was listed on the SSE four years later. In 2004, its predecessor formally changed name to Shanghai Fosun Pharmaceutical (Group) Co., Ltd. In 2005, Fosun Pharma was among the first group of Chinese A-share listed companies included in CSI 300 Index. At the same year, the research center of Fosun Pharma was nominated as national-level research center. In 2012, Fosun Pharma was listed on the Main Board of the Hong Kong Stock Exchange. As at the end of the Reporting Period, the Group held 38.10% equity interest in Fosun Pharma.

Under the guidance of "4 IN" strategies (Innovation, Internationalization, Integration, Intelligentization), Fosun Pharma Group has all along adhered to the development pattern of "internal organic growth, external expansion and integrated development". Focusing on unmet medical needs, Fosun Pharma Group continuously strengthens its product competitiveness and brand strength, improves its innovation, integration and internationalization capabilities, as well as operates efficiently.

Fosun Pharma Group's business covers all key segments of healthcare industry chain, including pharmaceutical manufacturing and R&D, healthcare services, medical devices and medical

diagnosis, as well as pharmaceutical distribution and retail, with pharmaceutical manufacturing and R&D as the core, and healthcare services as the development focus.

During the Reporting Period, the revenue of Fosun Pharma Group increased by 14.87% to RMB28,389 million as compared to 2018. Revenue from pharmaceutical manufacturing and R&D segment amounted to RMB21,609 million, representing an increase of 16.81% as compared to 2018. Revenue from medical devices and medical diagnosis amounted to RMB3,728 million, representing an increase of 2.78% as compared to 2018 and an increase of 28.7% on the same basis. Revenue from healthcare service segment amounted to RMB3,038 million, representing an increase of 18.90% as compared to 2018 and an increase of 15.9% on the same basis.

During the Reporting Period, net profit, net profit attributable to shareholders and net profit (after extraordinary gain or loss) attributable to shareholders amounted to RMB3,744 million, RMB3,322 million and RMB2,234 million, respectively, representing a respective increase of 23.96%, 22.66% and 6.90%, as compared to 2018. During the Reporting Period, the main reasons for the increase in profits were: (1) revenue from pharmaceutical manufacturing and R&D segment maintained stable growth, and segment revenue increased by 16.81% as compared to 2018. Revenue from products such as febuxostat tablets (You Li Tong), pitavastatin calcium tablets (Bang Zhi), enoxaparin sodium injection, daptomycin, quetiapine fumarate tablets (Qi Wei) recorded rapid growth. Rituximab injection (Han Li Kang), as the first biosimilar approved in the PRC, commenced sales in mid-May 2019 and quickly gained market recognition, with annual sales of approximately RMB150 million. In 2019, the Fosun Pharma Group had 35 formulation items or series each recorded sales of over RMB100 million, increasing by 6 formulation items or series as compared to last year. Due to the contribution of revenue growth, the segmental revenue contributed by the pharmaceutical manufacturing and R&D segment increased by 18% year-on-year, of which the core enterprise Gland Pharma's net profit increased by 52.2% year-on-year during the Reporting Period (based on the financial statements of Gland Pharma and not taking into account the effects of amortization of appreciation from assets evaluation); the net profit of the core enterprise Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司) increased by 44.8% year-on-year during the Reporting Period (taking into account the effects of amortization of appreciation of asset evaluation); (2) the installation volume and surgical volume of Da Vinci surgical robotic system of Intuitive Fosun, a joint venture in the medical devices and medical diagnosis segment, both increased rapidly. In 2019, 60 Da Vinci surgical robotic system were installed, and over 40,000 surgical operations were performed in Chinese Mainland and Hong Kong; HPV diagnostic reagent and genetic testing reagent for Thalassemias experienced faster growth; (3) the profit contribution from the disposal of equity interest in Healthy Harmony

Holdings L.P. (whose main asset is United Family Hospital) held by the Fosun Pharma Group during the Reporting Period.

During the Reporting Period, the Fosun Pharma Group continued to increase its R&D expenditures. The total R&D expenditures for the year amounted to RMB3,463 million, representing an increase of 38.15% year-on-year.

Fosun Pharma Group will continue to optimize its operation and improve asset operation efficiency. Specific strategies and actions including: (1) The pharmaceutical manufacturing business will continue to focus on the existing six disease treatment areas and promote the transformation to professional, branded and digital marketing teams. At the same time, Fosun Pharma Group will increase investment in R&D to create strategic product lines and a new pharmaceutical R&D system that meets international standards. (2) Fosun Pharma Group will continue to promote development and introduction of medical devices and diagnostic products, strengthen construction of domestic and foreign sales networks and professional marketing teams, and focus on mainstream technology platforms and innovative technologies, in order to become a leading comprehensive supplier of products and services. (3) Fosun Pharma Group will promote the integrated operation mode and seek new opportunities for medical service mergers and acquisitions. Medical institutions invested in holding shares will further strengthen discipline construction and quality management to improve operation efficiency. Through centralized procurement and information construction, all member hospitals will efficiently reduce cost and accelerate business development. (4) Fosun Pharma Group will continue to promote the integration and rapid growth of Sinopharm in pharmaceutical and medical device distribution to consolidate its leading edge.

Shanghai Henlius

Shanghai Henlius is a leading biopharmaceutical company in China with the vision to offer high-quality, affordable, innovative biopharmaceuticals to patients worldwide. It has products for oncology, auto-immune diseases, and other fields. Shanghai Henlius was established in 2010 and listed on the Main Board of the Hong Kong Stock Exchange in September 2019. As at the end of the Reporting Period, the Group held 53.33% equity interest in Shanghai Henlius through its subsidiaries.

In order to achieve the vision of “be the most trusted and admired biotech company providing innovative and affordable medicines for all patients”, Shanghai Henlius has implemented the following strategies: 1. Further strengthening Shanghai Henlius’ leading position in continuous biosimilar development and grasping first-mover advantages; 2. Developing innovative product portfolios centered on immune-oncology combination therapy by making use of its powerful and comprehensive biopharmaceutical pipeline and mature monoclonal antibody development

platform; 3. Expanding production capacity and improving cost-effectiveness while maintaining high quality standards; 4. Improving commercialization capabilities through internal sales and marketing teams and partnerships; 5. Expanding its global footprints through selective strategic cooperation.

Shanghai Henlius is principally engaged in biopharmaceutical research, biopharmaceutical service and biopharmaceutical production. Since its inception, Shanghai Henlius has established, and continued to expand a comprehensive pipeline of biosimilar and bio-innovative drugs.

During the Reporting Period, Shanghai Henlius' total revenue was RMB90.9 million, an increase of RMB83.5 million compared with 2018, mainly due to the growth in sales from commercialization of Shanghai Henlius' core products. Gross profit was RMB19.1 million. However, the loss expanded during the Reporting Period, from RMB504.8 million in 2018 to RMB875.5 million in 2019.

Benefiting from efficient biopharmaceutical industry-wide platform that integrates R&D, production and commercialization into a whole, outstanding global regulatory registration and clinical operation capability, as well as a comprehensive quality management system, Shanghai Henlius has gradually made significant progress on product R&D and commercialization during the Reporting Period: 1. Promoting a sustainable and steady growing product pipeline; 2. Forward-looking production capacity layout with high cost-efficiency; 3. Advanced commercialization strategy and layout; 4. Results of internationalized layout.

In 2020, Shanghai Henlius will further expand its biopharmaceutical pipeline covering oncology, auto-immune diseases and more fields, capitalize the achieved first-entrant advantages to further advance the implementation of its internationalization strategy, improve the production base construction, expand production capacity and accelerate the commercialization of more high-quality biological products to benefit more patients worldwide.

Gland Pharma

Gland Pharma is a pharmaceutical company primarily engaged in the manufacture of Small Volume Parenterals (SVPs). Gland Pharma was founded in 1978. In 1996, Gland Pharma became the first company to set up pre-filled syringe facility in India. In 2003, its plant became the first Liquid Injectable Plant approved by the U.S. Food and Drug Administration (“FDA”) in India and it introduced Heparin, its flagship product, in the U.S. market in 2010. Gland Pharma entered the Australian and European markets in 2011 and 2013, respectively. In October 2017, Fosun Pharma Group acquired 74% equity interest in Gland Pharma. In November 2019, Gland Pharma intended to publicly issue shares and list on the National Stock

Exchange of India and the Mumbai Stock Exchange. As at the end of the Reporting Period, Fosun Pharma Group held 74% equity interest in Gland Pharma.

Gland Pharma is committed to implementing corporate values of teamwork and innovation. In the spirit of being responsible for its customers, Gland Pharma instills ethics, excellence and efficacy in every product, and strives to be a world-class injectables player.

The core business of Gland Pharma is development and manufacture of injectable products. Its key products include: vancomycin, caspofungin, daptomycin, heparin sodium, enoxaparin sodium injection, etc.

Gland Pharma's revenue in 2019, was equivalent to RMB2.51 billion, a year-on-year increase of 31.0%. Taking into account the assessment of value-added amortization, the net profit was RMB513 million, a year-on-year increase of 81.1% (according to Gland Pharma's local currency financial statements, excluding the assessment of value-added amortization affecting net profit growth of 52.2%).

In 2019, Gland Pharma adhered to the international R&D strategy, and a total of 15 generic pharmaceutical products were approved for launching by the U.S. FDA. The pace of product introduction into the Chinese market was accelerated. As of 30 March 2020, Gland Pharma had a total of two products (dexrazoxane for injection and zoledronic acid injection) for import registration and listing application (IDL), four products (zoledronic acid concentrated solution for injection, caspofungin acetate for injection, irinotecan hydrochloride injection and tigecycline for injection) for import registration for clinical trial (CTA). At the same time, Gland Pharma continued to strengthen its international production capacity. During the Reporting Period, multiple aseptic production lines in 4 pharmaceutical production sites have passed the Good Manufacturing Practices (GMP) audit / certification in United States, European Union, Japan, Australia, and Brazil.

HAPPINESS

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

Unit: RMB million

	For the 12 months ended 31 December 2019	For the 12 months ended 31 December 2018 (restated)	Change over the same period of last year
Revenue	67,557.5	44,936.4	50.3%
Profit attributable to owners of the parent	2,826.7	2,276.5	24.2%

During the Reporting Period, revenue of the Happiness business increased by 50.3%, mainly attributable to the revenue of Yuyuan consolidated into the financial statements of the Group after the completion of the reorganization in July 2018, as well as the revenue increase brought by FTG. The profit attributable to owners of the parent increased by 24.2%, mainly attributable to the improved profit of FTG and Yuyuan.

Yuyuan

Relying on the urban cultural and commercial strength in Shanghai, Yuyuan, with the mission of creating an entertaining life for families worldwide, is determined to become the world's first-class group in the family entertainment and consumption industry group with roots in China, leading the trend of Chinese cultural revival. Yuyuan was formerly known as Shanghai Yuyuan Shopping Mall (上海豫園商場), which was transformed into Shanghai Yuyuan Shopping Mall Co., Ltd. (上海豫園商場股份有限公司) in June 1987. In May 1992, Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司) was established, and its shares were listed on the SSE in September of the same year. In November 2002, the Group became the largest shareholder of Yuyuan. In July 2018, Yuyuan completed the asset reorganization. Subsequently, the Group further increased its holding of shares in Yuyuan through the secondary market. In July 2019, the company officially changed its name to Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司). As at the end of the Reporting Period, the Group held approximately 68.53% equity interest in Yuyuan.

Yuyuan insists to implement the two-pronged strategy of "Industry Operations + Industrial Investment", adheres to the concept of enjoyment and fashion, and continues to develop the "1 + 1 + 1" strategy of "happiness consumption industry + offline industry landmarks + online access to family", gradually forming an industrial cluster with unique competitive advantages targeted to the main emerging consumers. The businesses of Yuyuan mainly comprise of several sectors such as culture commerce and smart retail, jewellery and fashion, cultural

catering, cultural food and beverage, Chinese fashion watches, beauty and health, and real estates with composite functions.

During the Reporting Period, Yuyuan's operating income reached RMB42,912 million, representing an increase of 26.47% from the adjusted operating income of the same period of last year; net profit attributable to shareholders was RMB3,208 million, representing an increase of 5.79% from the adjusted data of the same period of last year.

In 2019, Yuyuan jewellery and fashion business achieved revenue of RMB20,457 million, representing a year-on-year increase of 22.66%. Jewellery & fashion outlets expanded significantly throughout the year, with a net increase of 669 stores to 2,759 stores. Its brand "Laomiao" launched a series of top products centered on the theme of good luck: launching three phases of the "Gu Yun Jin" product series by grasping the market boom for retro gold products; developing the "Shi Lai Yun Zhuan" series by centering on the culture of the five fortunes and integrating the five fortunes symbols; collaboration with Wan Baobao, an internationally renowned jewellery designer, to launch the "Laomiao × Wan Baobao" series; partnership with Mak Ling Ling, a widely renowned Hong Kong-based metaphysics master, to launch the "Laomiao × Mak Ling Ling" series, which combines good luck culture with traditional culture. These marketing events have run throughout the year. Based on the strategy of rebranding itself and expanding sales channels, "Yayi" restarted its development landscape through a high-profile press conference; it launched new "five loves" themed products to upgrade its product structure; the "Oath" ring series won Bazaar Jewellery's "Light Luxury Fashion" Award; the brand repositioning and product upgrade efforts have gained initial recognition in the market. During the Reporting Period, the gross profit margin of the jewellery and fashion business of Yuyuan was increased by 1.47 percentage points year-on-year to 8.40%.

During the Reporting Period, Yuyuan I renovation project continued to advance, and planning and design of Yuyuan II has also started. The Yuyuan business district underwent a large-scale renovation and transformation. Yuyuan has been making full use of its advantages from long-established brand resources. As part of its cultural and catering business, Songhelou Catering (松鶴樓餐飲) successfully launched the Songhelou Noodle Restaurant, a milestone in its chain development. Lvbolang Restaurant (綠波廊) was renovated and upgraded. Shanghai Classical Hotel (上海老飯店) and Nanxiang Steamed Bun Restaurant (南翔饅頭店) began offering many new dishes; many new cultural food products were introduced: Red Li Gao Lu was upgraded, having less sugar content and a fresher taste; relying on the heritage of Shanghai traditional culture, it creatively launched "Chenghuang Kui 5", a herbal liquor; Qiao's sesame pills and brown sugar jujube pills were also introduced in May 2019. Yuyuan beauty health business, Tonghanchuntang (童涵春堂) achieved a zero-to-one breakthrough in the development of medicinal and food homologous functional foods, and built eight product series

including ginseng products, health tea bags, health soup bags, health meal powder, and health cream. At present, a total of 13 SKUs have been launched, such as the health tea bag series, the health new cream series, and the ginseng jelly series. At the beginning of 2019, the pet business unit of beauty health business officially obtained the exclusive agency right of Hill's, a global high-end pet food brand, in the Chinese mainland market, marking a major step in the pet industry.

Yuyuan resolutely implements strategic transformation and integrates the Group's high-quality resources to expand the happy fashion-themed offline landmark business. Yuyuan's business focuses on core cities and advantageous industries. It adopts different policies in light of the different characteristics of each city and steps up expansion of new projects while actively carrying out existing projects. Newly acquired projects, including Changchun Kalun Lake Project, Kunming Wanda Double Tower Area Project, Tianjin Binhai High-speed Railway East Project, Chongqing Central Park Project, Nantong Rudong Project, Zhuhai Doumen Project, are progressing steadily.

In 2019, outward investment and mergers and acquisitions (M&A) accelerated pace. During the Reporting Period, Yuyuan successfully completed the acquisition of 80% equity interest in International Gemological Institute (IGI) and established a joint venture with Xingguangda, which has been successfully put into production. While extending the industrial chain, this has provided a foundation for the rapid development of subsequent diamond jewellery and setting business. Yuyuan has also completed its investment in the domestic pet industry's one-stop service platform, Pet Doctor, to further strengthen its presence in the pet industry. Through the newly established subsidiary, Yuyuan completed the acquisition of Seagull Watches and Shanghai Watches, achieving a dual-brand strategic presence in the watch industry. It has assumed the heavy responsibility of rejuvenating the domestic watch industry. It is confident that the watch industry equipped with Chinese movements can go better and farther. In the cultural food & beverage business, it actively deployed the upstream supply chain by completing the acquisition of the controlling stake of Ruyiqing Biotechnology Co., Ltd. (如意情生物科技股份有限公司), one of the leading domestic edible fungus companies to further strengthen its footprint in the food industry chain.

In 2020, Yuyuan will continue to be driven by two engines of "Industry Operations + Industrial Investment". "Laomiao" and "Yayi" brands under jewellery and fashion business will continue to launch good products, and further improve the quality of channels while increasing the number of stores. Cultural catering business will promote the development of chain restaurants, and its long-established brands such as Songhelou Noodle Restaurant will continue to expand new stores. Food and beverage business, and beauty and health business will give full play to the advantages of long-established brands to launch more products. At the same time, Yuyuan

will enhance its competitive advantage and enrich happy and fashion industry through industrial investment. Real estates with composite functions will accelerate the development and implementation of benchmarking projects to truly create offline happy fashion landmarks.

FTG

FTG is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide in terms of revenue in 2019 according to Frost & Sullivan Report. In 2009, the Group established the commercial business department, the predecessor of FTG, with a focus on the tourism and commerce sectors. In 2015, the Group acquired the controlling stake of Club Med and subsequently transferred it to FTG upon reorganization. FTG was officially established in 2016, and was spun off from the Group and successfully listed on the Main Board of the Hong Kong Stock Exchange in December 2018. As at the end of the Reporting Period, the Group held approximately 80.97% equity interest in FTG.

Through FTG's lifestyle proposition, "Everyday is FOLIDAY", FTG seeks to infuse concepts of tourism and leisure into everyday living, and provide tailor-made, one-stop solutions through FOLIDAY global ecosystem.

FTG provides a wide range of tourism and leisure services which comprise its three main business sectors: (i) resorts, including brands like Club Med, Club Med Joyview, as well as Casa Cook and Cook's Club acquired in 2019; (ii) tourism destinations, which FTG develops, operates and manages, including Atlantis Sanya, and Lijiang FOLIDAY Town, Taicang FOLIDAY Town, which are developed and operated under self-owned brand "FOLIDAY Town"; and (iii) services and solutions in various tourism and leisure settings.

FTG has made encouraging progress during the Reporting Period. Its total revenue increased by RMB1,067.4 million to RMB17,337.2 million in 2019, compared with RMB16,269.8 million in 2018. Gross profit increased by RMB262.7 million to RMB5,538.7 million in 2019, compared with RMB5,276.0 million in 2018. Adjusted EBITDA increased to RMB3,729.4 million in 2019, compared with RMB2,073.0 million in 2018. Profit attributable to owners of shareholders increased to RMB608.7 million in 2019, compared with RMB308.4 million in 2018.

FTG offers premium resort services in an all-inclusive package that includes accommodations, sports and leisure activities, entertainment, childcare, meals and open bars in a wide range of resorts around the world under the Club Med brand, and offer, in China, both Club Med and Club Med Joyview resorts. As of 31 December 2019, FTG has conducted sales and marketing businesses in more than 40 countries and regions across six continents, and has operated 66

resorts. Its resort business volume under Club Med brand has increased by 5.2% in 2019 as compared with that in 2018 as a result of popularity on the winter ski products and the increased capacities of 4&5 Trident resorts. The recurring EBITDA of resort operation increased to RMB2,363.5 million at a constant exchange rate for 2019.

Atlantis Sanya, is located on the Haitang Bay National Coast of Sanya in Hainan province, China. As the first tourism destination project of FTG located in Sanya, it has approved to be an icon of tourism upgrading v3.0 of Sanya, Hainan Province. Atlantis Sanya was commenced construction in 2014, had its soft opening in February 2018 and officially opened in April 2018. In 2019, the business volume of Atlantis Sanya reached RMB1,312.1 million, increased by more than 74.2% compared with last year, in particular, in comparable period from May to December, it increased by 22.6%. In 2019, customers visiting Atlantis Sanya increased from 3.2 million to approximately 5.2 million as compared with the same period of 2018, and the number of visitors to the Waterpark and the Aquarium reached approximately 1.1 million and 1.2 million respectively. In addition, Tang Residence (saleable residential vacation units of Atlantis Sanya) including 190 villas and 794 apartments presold, has delivered 764 apartments to clients in 2018 and 176 villas and 28 apartments in 2019.

Foryou Club, FTG's proprietary loyalty program, has accumulated approximately 5 million members as at the end of the Reporting Period.

FTG will accelerate the expansion of the resort business, including a resort on the Sainte Anne Island, Seychelles, a mountain resort La Rosiere in French Alps, a seaside resort in Marbella, Spain, and a mountain resort in Quebec Charlevoix, Canada, which will open in 2020 and thereafter. In addition, FTG has also signed several contracts to open new resorts in China in the next few years, including Club Med and Club Med Joyview Resorts in Lijiang and Taicang FOLIDAY Town. The construction of Lijiang FOLIDAY Town and Taicang FOLIDAY Town is expected to be completed in stages starting from either late 2020 or early 2021. FTG is also in discussion with other developers to explore the opportunities to provide tailor-made tourism destination design, technical support and management services. FTG will continue to focus on the enhancement of business brands and products, further strengthen globalization and C2M ecosystem, develop contents and distribution platforms, and seize investment, acquisition or strategic alliance opportunities to further supplement the FOLIDAY ecosystem.

WEALTH

The Group's Wealth business includes three major segments: Insurance, Finance and Investment.

Insurance

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

Unit: RMB million

	For the 12 months ended 31 December 2019	For the 12 months ended 31 December 2018	Change over the same period of last year
Revenue	31,261.9	23,668.5	32.1%
Profit attributable to owners of the parent	2,606.8	2,382.7	9.4%

During the Reporting Period, the revenue of Insurance segment increased by 32.1% year-on-year mainly because Fidelidade consolidated the Peru's insurance market leader La Positiva's revenue by completing the acquisition of its 51% equity interest in early 2019 and the organic growth in the revenue of Fidelidade and Peak Reinsurance as a result of business expansion. Profit attributable to owners of the parent increased by 9.4% compared with the same period of last year, mainly attributable to the profit increase of Peak Reinsurance and the fair value gain on secondary market investment of Insurance segment.

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

Fosun Insurance Portugal

In 2014, the Group acquired a controlling stake in Fosun Insurance Portugal, consisting of Fidelidade, Multicare and Fidelidade Assist  ncia. As of 31 December 2019, the Group owned 84.9884% equity interest in Fidelidade and 80% equity interest in Multicare and Fidelidade Assist  ncia, respectively. This platform is a leading player in the Portuguese insurance market and facilitates further business development of the Group in Europe, Africa and Latin American countries.

Fosun Insurance Portugal is a global operator in the Portuguese insurance market, selling products in all key lines of business and benefiting from the largest and most diversified insurance sales network in Portugal, including exclusive and multi-brand agents, brokers, own branches, internet and telephone channels and a strong distribution system with the post office and Caixa Geral de Dep  sitos S.A., the leading Portuguese bank. It also has an international presence in 11 countries, with products distributed on four continents (Europe, Asia, Africa and America).

In the beginning of 2019, Fidelidade completed the acquisition of 51% equity interest in La Positiva, a leading player in the Peruvian insurance market and also with a presence, through its subsidiaries, in Bolivia and Paraguay and, additionally, obtained the authorization for a new non-life insurance company in Chile and also for a new life insurance company in Macau.

During the Reporting Period, Fosun Insurance Portugal achieved a total market share in Portugal of 25.5%, being the market leader in both life and non-life businesses with market shares of 23.6% and 27.9%, respectively.

As the Eurozone entered a period of low interest rates and was not expected to rebound in the short term, in order to allocate capital more effectively, Fosun Insurance Portugal adjusted its business structure, reduced the proportion of life insurance products and further expanded its business outside the Portuguese market.

During the Reporting Period, Fosun Insurance Portugal recorded total premium income of EUR4,082.8 million, non-life business combined ratio of 96.5%, net earned premium of EUR2,458.4 million (2018: EUR1,732.9 million), net profit of EUR230.4 million. As at the end of the Reporting Period, it recorded net assets of EUR3,524.1 million, net investable assets of EUR17,574.6 million and total investment return of 2.5%.

During the Reporting Period, Fosun Insurance Portugal's international business recorded overall premiums of EUR974 million, an increase of 259% compared to the same period of last year, benefiting from both the favorable performance in all international operations and also from the acquisition of La Positiva control stake by Fidelidade at the beginning of 2019. The international business represents 23.9% of total premiums.

Recently, Fosun Insurance Portugal won several distinguished awards, such as the "Portugal Digital Awards 2019", "Superbrands Portugal 2019", "Marca de Confiança 2019" (Most Trusted Brand in 2019), "Escolha do Consumidor 2019" (Consumer's Choice in 2019) in the categories of "Excellence", "Insurance Companies" and "Health System". In 2020, Fosun Insurance Portugal will continue innovating its product offerings, improving service quality and promoting its global strategy.

Peak Reinsurance

Peak Reinsurance is a privately-owned global reinsurer headquartered in Hong Kong. The Group and International Finance Corporation established Peak Reinsurance in 2012. In April 2018, a wholly-owned subsidiary of U.S.-headquartered Prudential Financial, Inc., completed the acquisition of a minority stake in Peak Reinsurance Holdings Limited ("**Peak Reinsurance**

Holdings”). As of the end of the Reporting Period, the Group held 86.51% of Peak Reinsurance via Peak Reinsurance Holdings.

Based at the heart of the Asia Pacific region in Hong Kong and authorized by the Insurance Authority of Hong Kong, Peak Reinsurance is one of the few locally established reinsurance companies in Asia Pacific, underwriting both life and non-life reinsurance business. It was established with the clear purpose to support the needs of communities and emerging middle-class society through meeting their reinsurance needs. It strives to provide innovative and forward-looking reinsurance services for customers in the regions of Asia Pacific, Europe, Middle East, Africa and the Americas. It tailors risk transfer and capital management solutions to best fit clients’ needs.

Since launched, Peak Reinsurance has a track record of year-on-year premium growth. During the Reporting Period, it generated premium income of USD1,664.6 million (2018: USD1,381.9 million) and net earned premium income of USD1,238.6 million (2018: USD982.3 million), reflecting a stable growth despite a difficult period for the reinsurance industry. Peak Reinsurance continues to make consistent profit since the commencement of its operations. During the Reporting Period, net profit of Peak Reinsurance reached USD37.7 million.

As of 31 December 2019, Peak Reinsurance’s total investment return was 2.5% with investable assets and net assets growing to USD2.1 billion and USD1.1 billion, respectively. Solvency remains very strong with solvency adequacy ratio of 348%. Peak Reinsurance continues to deliver stable and sustainable returns since its establishment.

Upholding the mission of supporting the reinsurance needs of emerging Asia, Peak Reinsurance developed the first trade credit ecosystem in Pakistan that allows client companies to access high-quality information and Peak Reinsurance’s professional advice. This unique platform fosters a distinctive ecosystem that equips medium-size local insurers with ample accurate and quality information, and allows them to retain control of the customer relationship and empowers them with the ability to offer protection for their customers.

In March 2019, Peak Reinsurance created Cancer Multi-pay, the first simplified and multi-pay cancer coverage solution for Vietnam. Beyond Vietnam, Peak Reinsurance is also actively engaging in developing similar bespoke solutions for other emerging Asian markets, including China, India, Thailand, the Philippines and Cambodia.

With its outstanding performance, Peak Reinsurance was awarded “Asian Reinsurer of the Year” for the fourth consecutive year by *Asian Banking and Finance* in 2019 and ranks the 30th Global Reinsurance Group by Standard & Poor in terms of gross written premium.

Lion Rock Re Ltd., an ILS (Insurance Linked Securitization), Asia's first sidecar transaction launched by Peak Reinsurance, was shortlisted by the *Insurance Insider* magazine as the "Best Reinsurance Transaction of the Year 2019".

Peak Reinsurance believes a swift claims process is vital in offering security to its clients in the face of severe natural catastrophes and other difficult situations. It takes pride in keeping an unmatched record in the industry by paying more than 91% of claims in less than five days.

Peak Reinsurance pays more attention to risk control in the underwriting segment, actively allocates investment portfolio and steadily enhances the level of profitability. Meanwhile, taking advantage of its professional skills, Peak Reinsurance actively carried on vertical acquisition on top of its organic growth.

Pramerica Fosun Life Insurance

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

With "Safeguard the Future You Want" as its mission, Pramerica Fosun Life Insurance has formulated the strategy of "Long-term Value Management" and thus forms a four-pronged path of "Focusing on the Team, Focusing on the Regular-pay Business, Focusing on the Technology and Focusing on Business Ecosystem".

Pramerica Fosun Life Insurance offers 1. life insurance, health insurance, and accident insurance; 2. reinsurance business of the abovementioned businesses to customers.

During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB4,064.6 million with a growth of 222.6% compared with the same period of last year. Total net asset was RMB1,673.9 million, representing a decrease of 10.8% from the beginning of 2019. Pramerica Fosun Life Insurance recorded net loss of RMB214.0 million, indicating an increase of 92.7% compared with same period of last year, solvency adequacy ratio of 193.8%, investable assets of RMB10,396.6 million, total investment return of 5.8%.

Pramerica Fosun Life Insurance established a customer-oriented sales model through multiple distribution channels, such as agent channel, bancassurance, intermediary and Internet channel, to provide risk protection for customers.

The agent channel takes the business group as the core to enlarge and strengthen. By establishing a model of high-performing salesmen, building a “Three High” team with high income, high production capacity and high retention, to cast core competitiveness for long-term value operation. In 2019, the clearance of agent channel was strengthened, and the team’s excellent performance atmosphere was strong. At the same time, the construction of perspective training course system and ecological system has helped the customer servicing and management. The activity rate of agents, the excellent performance rate and the retention rate of new employees have been significantly improved. The original premium income of the whole year reached RMB395.3 million, increased by 56.6% year-on-year.

The bancassurance channel deepens the operation of bank outlets, especially on those which are developing regular premium business. Through establishing three distinctive platforms of health, retirement, and wealth, the bancassurance channel will meet the needs of high-net-worth individuals for health management and wealth inheritance. In the whole year, the regular payment activity rate of the team exceeded 70%, and the original premium income reached RMB2, 975.1 million, increased by 245.4% year-on-year.

The intermediary and Internet channel maintains steady development by providing the “Product + Service” to enhance attractiveness of products, and by utilizing the scientific and technological means, such as big data risk control, to control risks in the underwriting terminal. While ensuring value contribution, the company provides assistance of corporate customers’ accumulation and renewal of premium. The channel realized the original premium income reached RMB618.5 million, increased by 510.8% year-on-year.

Pramerica Fosun Life Insurance will implement the “Long-term Value Management” strategy and the “Four Focus” strategic path to establish the comprehensive development structure, and support the stable and rapid movement of the organization. The company will continuously focus on “Three High” team building and ecological service linking, to serve customers with high-quality teams and services. The company will continuously build organizational capabilities with talent and technology upgrades, create competitiveness with “Products + Services”, enhance development strength with two-wheel drive of “assets + liabilities”, and improve the risk control capability. The company will have a stable and sustainable development in the future.

Finance

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

Unit: RMB million

	For the 12 months ended 31 December 2019	For the 12 months ended 31 December 2018	Change over the same period of last year
Revenue	2,492.6	2,482.7	0.4%
Profit attributable to owners of the parent	1,501.0	1,245.2	20.5%

During the Reporting Period, the revenue of Finance segment remains basically flat. The profit attributable to owners of the parent mainly came from the core portfolio companies of H&A and BCP; meanwhile, the increase in profit attributable to owners of the parent was mainly due to the performance improvement of Mybank and returns of the secondary market investment of Finance segment.

Hauck & Aufhäuser Privatbankiers AG (H&A)

Founded in 1796, H&A is headquartered in Frankfurt-on-Main. In September 2016, Fosun acquired 99.91% equity interest in H&A. With Fosun's support, H&A acquired the Luxembourg-based company Sal. Oppenheim jr. & Cie. in December 2017, reaching an important strategic milestone in its growth strategy. The acquisition also gave H&A the opportunity to expand its products and services in the European Union.

H&A is aiming to rank among the top three private banks with focus on managing, preserving, servicing and trading client assets in Germany. In its strategy H&A follows a clear growth strategy with a diversified and capital-light business model along the four core business areas such as asset servicing, private banking, asset management and investment banking.

As at the end of the Reporting Period, H&A's assets under control reached EUR142.0 billion, representing an increase of 14.5% compared with the same period of last year, and the total assets grew to EUR5,702 million. H&A also recorded a gross income of EUR184.3 million during the Reporting Period, representing a decrease of 0.9% compared with the same period of last year. Profit before tax during the Reporting Period stood at EUR28.6 million, representing an increase of EUR11.6 million compared with the same period of last year.

In October 2019, H&A completed the acquisition of a majority stake in Crossroads Capital Management Limited ("CCM") through its subsidiary in Luxembourg. CCM is a well-established Alternative Investment Fund Manager (AIFM) and an Undertakings for Collective Investment in Transferable Securities (UCITS) Management Company based in Dublin, Ireland. The transaction adds a further international component to the product portfolio of the asset servicing segment.

Furthermore, H&A's investment banking division is leading for IPOs and capital increases in the small and mid-cap segment² in Germany. The growth of new capital of H&A was above the market average, which showed synergies with the Group gradually. The bank has received several awards for its performance and service quality in 2019, such as "best German private bank" by the leading medium *Handelsblatt* and the "Golden bull" for the discretionary portfolio management of 2019.

Together with the majority shareholder Fosun, H&A intends to further internationalize its product range in the future, expand new customer base and thus further strengthen its own market position. An important element of the H&A future growth strategy is its role as a bridge for Chinese investors and companies to step into Germany and Europe as well as to help German companies gain access to the Chinese market and other Asian growth markets. As a gateway for Chinese customers for their investments in Europe, H&A established a subsidiary called Hauck Investment Managing (Nanjing) Co. Ltd. (灝科投資管理(南京)有限責任公司) in China in May 2019. For the coming period, H&A targets an increased focus on product innovation and enhancement, a deeper customer centricity in the private banking business as well as additional purchases in the German-speaking region. Targeted internationalization efforts with cross-border business to China and with asset servicing in Ireland will supplement the above mentioned measures.

BCP

In 1985, a group of over 200 shareholders and a team of experienced banking professionals incorporated BCP, the first Portuguese private bank after the privatization of the banking sector, aiming to modernize the Portuguese financial market. During the period from 1995 to 2000, BCP solidified its position in the Portuguese market through a series of strategic acquisitions, and became one of the largest banks in Portugal. Since 2000, BCP started to expand into emerging markets in Europe and Africa, especially Poland, Mozambique and Angola, which have a close historical connection to Portugal or that have large communities of Portuguese origin, and also established a wholly-owned subsidiary in Switzerland driven to private banking. Since 2010, BCP entered the Chinese mainland market through its Guangzhou representative office and relaunched its activity in Macau Special Administration Region with an onshore full banking license. By operating around 35 years, BCP has grown to become the largest private bank in Portugal with leading market positions in Poland and Mozambique as well. In November 2016, the Group invested in BCP. As at the end of the Reporting Period, Fosun's shareholding in BCP was 27.25%.

² Market Capitalization ≤ EUR750 million

BCP operates and acts with respect for people and institutions, pursuing a mission of excellence, trust, ethics and responsibility, being committed to serving the individuals and corporates on the geographies where it is present with comprehensive financial solutions. Based on its three distinctive competences, the customer-oriented relationship model, market-leading efficiency and the competitive international portfolio, BCP has embarked in a transformational process driven by a mobile-centric digitization aiming to provide customers with convenient and superior user experience, and securing a sustainable position through a new cycle of growth with profitability. BCP provides products and financial services to individuals and corporates, complemented by investment banking and private banking. BCP also owns a leading digital bank called “ActivoBank”.

During the Reporting Period, the net profit attributable to the shareholders of BCP was EUR 302.0 million, having maintained a stable profit level as in year 2018, with a 29% improvement of activity-related earnings year-on-year and the profit before income tax growing 12.4% year-on-year. Segmented by business markets, the net income contribution from Portugal achieved EUR144.8 million, showing a year-on-year increase of 25.4%; the net income contribution from the international operations totalled EUR143.8 million, slightly dropped from 2018, which is mainly determined by the integration costs and additional loan provisions in Poland from the acquisition of Euro Bank S.A. in May 2019. The overall core income growth and significant improvement on the assets’ quality were key factors supporting the performance of BCP in 2019. The core income increased by 6.9% year-on-year to EUR2,252.0 million in 2019, in which the net interest income grew by 8.8% year-on-year to EUR1,548.5 million and the net fees and commission income grew by 2.8% year-on-year to EUR703.5 million. The improvement of asset quality was marked by a reduction of EUR1,341.0 million of the non-performing exposure (NPE) during 2019, which led the NPE ratio decreased by 3.2 percentage points to 7.7%. The cost of risk in 2019 dropped from 92 base points in 2018 to 72 base points.

As at the end of Reporting Period, BCP’s total assets reached EUR81,643.4 million and its total equity attributable to the bank’s shareholders reached EUR6,119.7 million. The business volume has grown remarkably during the Reporting Period, with performing loans increased by 11.1% and total customer deposits increased by 10.1%. The number of active customers reached 5.6 million with an increase of 705,000 since the end of 2018, among which the number of mobile customers has increased by 577,000 to 2.2 million, confirming BCP’s effective strategy in mobile. In consideration of BCP’s improving performance, Dominion Bond Rating Service Morningstar upgraded BCP’s senior debt rating to investment grade in June 2019 and Moody’s upgraded BCP’s deposits rating to investment grade in July 2019. S&P and Fitch also adjusted the BCP’s issuer outlook to Positive in October 2019. In addition, for the second year running, DATA E considered BCP as the main bank for companies, the bank with the most suitable products, as well as the most innovative bank. ActivoBank was distinguished by

customers as the 2019 Consumer’s Choice in the category digital banks in Portugal and *Global Finance* awarded BCP as best consumer digital bank and best information security and fraud management in Portugal.

In the future, BCP will continue to promote the five overarching strategic priorities which were defined for the future, which are talent mobilization, mobile-centric digitization, growth and leadership in Portugal, growth in international footprint, and business model sustainability, to enable BCP to accomplish the strategic objectives for 2021.

Investment

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

Unit: RMB million

	For the 12 months ended 31 December 2019	For the 12 months ended 31 December 2018 (restated)	Change over the same period of last year
Revenue	9,615.5	9,946.2	-3.3%
Profit attributable to owners of the parent	6,305.0	6,017.3	4.8%

During the Reporting Period, the increase in profit attributable to owners of the parent compared to last year was mainly attributable to the increase in fair value gain from the investments year-on-year.

Fosun Capital

Fosun Capital is an equity investment and management company, established in April 2007 and wholly owned by the Group. As a first-class private equity fund manager in China, Fosun Capital provides high-quality equity investment management services to investors such as well-known family funds, insurance companies, listed companies, large investment institutions and high net worth individuals domestically and internationally.

Given its strong foothold in the Group’s global presence and industrial depth, Fosun Capital sticks to the concept of “profession creating value” and follows the unique investment pattern of “combining China’s growth momentum with global resources”, in an effort to integrate high-quality resources with industrial advantages. That is how it can capture investment opportunities benefited from China’s growth momentum. With the high-quality post-

investment services and the Group's strong global industry integration capabilities, Fosun Capital is able to empower the investees from business resources and industrial depth, to achieve deep industrial integration and interaction.

In the past 13 years since its establishment, Fosun Capital launched and managed a number of assets, including fund of funds, private equity investment funds, industry funds of listed companies and other types of equity investment funds. As at the end of the Reporting Period, Fosun Capital managed seven funds and the assets under management were nearly RMB16 billion. Fosun Capital is specialized in investment in six fields including intelligent manufacturing, new environmental protection energy, fashion consumption, TMT (Telecommunication, Media and Technology), healthcare as well as automotive and industrial services.

During the Reporting Period, the fund management team led the acquisition of 100% equity interest in FFT GmbH & Co.KGaA, a benchmarking enterprise of the German Industry 4.0; a total of three investment enterprises under the management of the fund achieved IPO and went public (namely YG TAPE (永冠新材), Keboda (科博達) and Sinotec (華培動力)), and two investment enterprises achieved withdrawal from mergers and acquisitions of listed companies (namely Zhongce Rubber Group Co., Limited (中策橡膠集團有限公司) and IRO SAS). In 2019, it was selected as one of the "Top 50 Chinese Private Equity Investment Institutions" by Zero2IPO Group.

In the future, Fosun Capital will pay more attention to areas such as science and technology R&D, import substitution and consumption upgrade. At the same time, Fosun Capital will also seek foreign currency asset management opportunities to transform from a RMB fund management company to an international asset management company.

Fosun RZ Capital

Fosun RZ Capital is the only globalized venture capital (VC) investment platform under Fosun, and it is one of the most active Corporate Venture Capital (CVC) platforms in the world. Fosun RZ Capital's vision is to become a top investment institution that exploits its advantages as both part of an industrial platform and an independent fund to take root in China and covers major growing economic regions globally, generating excellent investment returns and long-term strategic value for Fosun Group.

Fosun RZ Capital is specialized in three investment areas namely intelligent technologies, industrial internet and innovative consumption. Through investment, Fosun RZ Capital promotes the upgrading of Fosun's various industrial sectors, helps Fosun deepen its understanding of cutting-edge technologies and explore new industry directions. With China at

its core, on the one hand, Fosun RZ Capital is bridging the United States and Israel to capture the opportunities of cutting-edge technology from a global perspective; on the other hand, it also deploys India and Southeast Asia to seize the opportunity of copying mature market experience of China and United States to emerging markets. Currently, Fosun RZ Capital has more than 45 employees in 7 offices around the world.

Fosun RZ Capital's global core team has an average of more than 10 years' investment experience worldwide. As at the end of the Reporting Period, Fosun RZ Capital has billions of Renminbi in total assets under management, two portfolio companies achieved IPO and went public in the United States, and over ten projects have exited successfully with outstanding performance.

During the Reporting Period, Molecular Data, the leading technology-driven platform of chemical industry in China, achieved its IPO on the NASDAQ stock market, and over ten portfolio companies gained financing from subsequent rounds of fundraising. Fosun RZ Capital has also been selected as one of the "Top 100 Best Chinese Venture Capital Institutions 2018" and "Top 10 Best Chinese New Consumption Venture Capital Institutions 2018" by ChinaVenture, "2019 China's Top 100 Venture Capital voted by Entrepreneurs" by 36Kr, "Top 30 Venture Firms in China 2019" by financial media of Jiemian and "Best CVC 2019" by *National Business Daily*.

In the future, Fosun RZ Capital's investment will focus more on technological innovation and capture more technology-driven opportunities. Fosun RZ Capital will broaden and deepen its industrial layout, continue to improve its VC investment capability and actively help Fosun develop innovative business sectors.

Nanjing Iron & Steel

Nanjing Iron & Steel is a leading whole-process iron & steel combined company with high efficiency. With advanced technical equipment, it has the capacity to produce 10 million tons of crude steel per year.

Nanjing Iron & Steel was listed on the SSE in 2000. In 2003, the Group, indirectly held the equity interest in Nanjing Iron & Steel through an entity which was established by Fosun and the controlling shareholder of Nanjing Iron & Steel at that time. Subsequently, through assets reorganization and improved production efficiency and competitiveness of products enhanced by constant scientific and technological innovation, Nanjing Iron & Steel has formed its unique competitive strength of "high-efficiency production and low-cost intelligent manufacturing". As at the end of the Reporting Period, the Group held a total of approximately 25.96% effective equity interest in Nanjing Iron & Steel through Nanjing Nangang.

Nanjing Iron & Steel is committed to becoming an advanced material intelligent manufacturer with global competitiveness and constructing a new steel material oriented industrial chain ecosystem in which the segments empower each other and achieve compound increase with insisting on the concept of “scientific and technological innovation drives the development of the industry”. As one of the largest single media-plates production bases worldwide, possessing two production systems of sheet materials and long steel plates, it provides high-quality steel plates for the domestic and international major projects and establishes cooperation with the world famous bearing manufacturer. Adhering to customer-centricity, Nanjing Iron & Steel continues to improve its customer service system to enhance customer dependency and re-consumption expectation, and provides customers with complete and personalized solutions. Nanjing Iron & Steel’s businesses related to the iron and steel include the production, sales and processing and delivery of steel products, which was also accompanied by intelligent purchase, information technology, e-commerce, modern logistics and new material ecosystem.

During the Reporting Period, Nanjing Iron & Steel gave full play to its “high-efficiency production and low-cost intelligent manufacturing” capability, focused on the strategically advanced iron and steel materials and advantageous products, and enhanced the competitiveness of special sheet materials and special steel products. The operating revenue increased by RMB4,323.7 million from RMB43,646.8 million in 2018 to RMB47,970.5 million in 2019, representing a year-on-year increase of 9.91%. The gross profit decreased by RMB2,408.6 million from RMB8,778.2 million in 2018 to RMB6,369.6 million in 2019. The net profit attributable to shareholders decreased from RMB4,008.2 million in 2018 to RMB2,606.2 million in 2019, representing a year-on-year decrease of 34.98%.

During the Reporting Period, Nanjing Iron & Steel’s output of pig iron, crude steel, and steel products were 9,900.2 thousand tons, 10,971.3 thousand tons, and 9,920.6 thousand tons, respectively, representing a year-on-year increase of 8.94%, 9.17%, and 8.17%, respectively. The sales volume of advanced iron and steel materials was 1,372.6 thousand tons.

Looking forward, in terms of operations, Nanjing Iron & Steel will, with focus on energy-saving process, smart production line, high-quality products, experience-base service, and win-win value, advance the construction of digital plants and continuously improve the quality of smart operations. It will push the construction of iron district intelligent centralized control centers, smart energy dispatch centers, and financial sharing centers to achieve centralized, intelligent, and efficient management and control. To develop world-class R&D capabilities, Nanjing Iron & Steel with focus on cutting-edge and key technologies, is committed to creating core technologies with independent intellectual property rights, driving the development of the company from iron and steel manufacturer to materials service provider, advancing the

construction of high-end R&D platforms and boosting digital R&D capabilities. Oriented by customer needs, it will provide high-end products and integrate solutions by means of “enhancing product competitiveness” and “structure optimization”. In terms of ecology, Nanjing Iron & Steel will continue to advance the transformation of ultra-low-emission projects. It will promote ecological restoration and integration of production and city to achieve the goal of “Green ecology + Garden”.

Hainan Mining

Hainan Mining, a joint-stock enterprise with iron ore mining as its principal business, was jointly established by the Group and Hainan Iron & Steel Company (now renamed as Hainan Haigang Group Co., Ltd.) in August 2007. In August 2010, it was changed to a joint stock company. In December 2014, Hainan Mining was listed on the SSE. Upon the completion of the acquisition of 51% equity interest in Roc Oil Company Pty Limited (“**ROC**”) in June 2019, the industrial depth of Hainan Mining was further consolidated, with its principal business expanding from a single segment of iron ore production to the segment of oil and gas, which is conducive to hedging the risk of performance fluctuations brought by the periodicity of single resource product. As at the end of the Reporting Period, the percentage of equity interest in Hainan Mining held by the Group was 51.57%.

With China’s development as its driving force, the integration of global resources as its mission, and exploring mineral resources as its core, Hainan Mining strives to become a professional service provider of mineral resources with global investment and financing capabilities, and is committed to building a globally renowned and China’s first-class mineral resource group.

As at the end of the Reporting Period, the total assets of Hainan Mining amounted to RMB8,634.8 million, representing a decrease of 12.75% from the end of the previous period. The total liabilities amounted to RMB3,540.1 million, representing an increase of 3.60% from the end of the previous period. The net asset attributable to the shareholders was RMB3,886.4 million, representing a decrease of 27.13% from the end of the previous period. The gearing ratio was 41%, representing an increase of 6.47 percentage points from the end of the previous period. During the Reporting Period, total revenue amounted to RMB3,718.3 million, representing an increase of 47.84% from the corresponding period of last year. The net profit attributable to the shareholders was RMB127.7 million and achieved turnaround.

Hainan Mining takes iron ore business and oil and gas business as its principal businesses. In terms of iron ore business, the products of Hainan Mining are iron ore product, including lump ore, fine ore and iron powder. The Shilu mining area in Changjiang County, Hainan Province is one of the most well-known large-scale high-quality iron-rich mineral deposits in China. Hainan Mining’s iron ore is the first choice for the rational combination of blast furnace charge

structure. In terms of oil and gas business, ROC is one of the leading independent companies engaged in exploration and development of upstream oil and gas in Australia. ROC operates across the full range of upstream business activities from oil and gas exploration and appraisal to development and production delivery. The major assets of ROC are located in Bohai and Beibu Gulf of China, Malaysia and Australia. In addition, ROC is a company with over 20 years of experience in oil and gas operation.

Looking forward, Hainan Mining will have solid presence in Hainan, focusing on resource development and placement of industrial chain integration and adjustment to asset structure. In terms of the ferrous metal segment, the first goal is to consolidate its main business in order to ensure the mining operation in Shilu Iron Mine to meet its targeted production; the second goal is to develop and utilize comprehensively the surrounding waste rock from the mining area so as to realize diversified value creation; then to make full use of the unique advantage of its resources to build an iron ore production base. Hainan Mining actively seeks for suitable projects externally according to its development strategy with iron ore resources as its priority, meanwhile explores investment and development opportunities for other minerals. In terms of energy segment, Hainan Mining will give full play to the geographical advantages of marine mineral resources in Hainan. Hainan Mining takes oil and gas development in South China Sea as its key strategy in order to further cooperate with local companies in Hainan, at the same time, it makes key investment in oil and gas exploration in South China Sea area in Hainan so as to build an oil and gas industrial group in Hainan. Hainan Mining will seize industry cycle opportunities externally to merge and acquire high quality assets, distribute natural gas and stretch the industrial chain, ultimately realizing the balance between oil and gas.

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)
2019	2,567.5	238
2018	2,211.7	261
Year-on-year change	16.09%	

Note: According to the “Solid Minerals Geological Prospecting Standards” of the PRC, the figures in 2019 were estimated figures.

The Bund Finance Center (“BFC”)

Located in the core district of the Bund in Shanghai at 600 Zhongshan No.2 Road (E), Shanghai 200010, China, BFC is a benchmarking project of Fosun’s “Hive City”, the only large ecological commercial complex located in the heart of the Bund. It formally commenced its construction in November 2011 and embraced its grand opening on 12 December 2019. The gross floor area of BFC is over 420,000 square meters. It covers integrated ecology with office,

retail, catering, entertainment, art, tourism and health, expanding the commercial patterns along the Bund in depth, and opening a brand-new field for life in Shanghai.

BFC has embraced a river view as long as 418 meters. It consists of twin towers with height of 180 meters, Fosun Foundation Art Center (Shanghai), shopping center and several detached buildings. BFC was designed to establish a model of “1+N Happiness Ecosystem”, introducing excellent industry resources of “Health ·Happiness ·Wealth” to the platform of the Bund and providing deep-level services to each family group to meet their desires for a better life. In respect of retail, the project regards “Fashion ·Art ·Design” as three core factors, and commits to creating “all-round business mode and new retail and immersive style” shopping experience, leading the reform of consumption trend.

In 2019, BFC recorded total revenue of approximately RMB525.2 million; EBITDA of approximately RMB301.0 million; and profit attributable to owners of the parent of approximately RMB33.2 million.

BFC introduces “first store”, “flagship store”, “concept store” in Shanghai and in China to consumers for their better life demands, which includes LANVIN Asia flagship store, the first international one-stop mini creative learning club in Shanghai – Miniversity, the first crossover experience store in Shanghai – Mercedes Me, the first store in China – Galia Lahav and the first flagship store in Chinese mainland – Silver Cross, etc.

BFC adheres to its theme of “Design” and has established an avant-garde conceptual product center, setting “crossover”, “limited” and “customized” as the entry criteria for brands. Among them, a multi-brand boutique, with selecting about 60 designer brands from international and domestic designers, aiming to be the bridge connected independent designers and consumers, and be the voice of the originality brands and design. In addition to featured stores, BFC also creates interactive experience space for family groups elaborately. It attracts trendy by “Culture and Fair” and the “Artisan Hub”, which is a collection of more than 50 original design shops and more than 100 brands built from the perspective of lifestyle and ingenuity, aiming to become the iconic cultural and creative public space of the Bund.

BFC will consolidate its construction of a “Happiness Ecosystem” and be committed to building BFC as the new commercial landmark in Shanghai and China by improving the synergies of resources and the empowerment of ecology. Furthermore, it is only a few hundred meters distance between BFC and Yuyuan, a representing of Shanghai traditional culture. BFC will achieve two-way functions with Yuyuan in the future, becoming a “Big Yuyuan” business district with integration of culture, art, tourism, consumption, finance, commerce and natural

landscape. BFC upgrades its overall regional image and industrial ecology to become the most representative landmark in Shanghai.

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

Name of project	Floor	Area (sq.m.)
GFA		425,591
Grade A offices	S1	107,079
	S2	103,138
	N1	21,425
	N2	25,462
	N4	10,410
Shopping center		117,520
Boutique hotel		36,346
Fosun Foundation Art Center (Shanghai)		4,211

Name of project	Usage	Land area (sq.m.)	Total GFA (sq.m.)	Ownership ratio	Land cost (RMB million)	Development progress	Construction and installation costs (RMB million)
The Bund Finance Center	Office, commercial, hotel	45,472	425,591	50%	9,865.8	Completed	4,540

FFT

Founded in 1974, FFT is one of the world's largest provider of intelligent manufacturing solutions. In July 2018, the funds managed by the Group established Shanghai FFT Automation Technology Co., Ltd. (上海愛夫迪自動化科技有限公司). In May 2019, Shanghai FFT Automation Technology Co., Ltd. completed the acquisition of 100% equity interest in FFT.

FFT provides automated and flexible turn-key solutions for production systems to first-tier suppliers in the automotive industry, such as Daimler, BMW, and Volkswagen, as well as final assembly solutions and partial assembly integration for Airbus, Boeing and COMAC C919 globally. Through continuous R&D together with customers, FFT is leading the industry in the development of intelligent manufacturing technologies and is setting global standards. At the same time, FFT is using its capabilities to enter new industries such as the battery as well as the automotive electronics industry, extending existing proprietary technologies and its standard product offerings such as lasers, vision systems, and lightweight fixtures, and continuously

building outstanding intelligent equipment through endogenous R&D and exogenous acquisitions. Moreover, FFT is facilitating the development of industrial digitalization and industrial software business and providing customers with digital engineering solutions with full-scale coverage.

During the Reporting Period, FFT recorded revenue of EUR665 million. (This is the report data of the management.)

FFT's global business includes automated and flexible turn-key solutions, industrial digital services and vocational and educational training.

The segment automated and flexible turn-key solutions is based on FFT's accumulated experience of nearly 50 years in the automotive industry. In the past two years, FFT has successfully expanded its business to industries with a strong demand such as the metal processing and battery industries. The construction of the first electric vehicle production platform of BMW and Volkswagen has laid a solid foundation for the steady development of subsequent business.

Industrial digitalization services are a growth business that FFT has spared no effort to develop in recent years. FFT strives to provide manufacturing customers with full-scale digital services from product design, production line debugging to production management. FFT digital twin software has been successfully applied to the customer's production line debugging field, and will continue to be expended upstream and downstream in the industrial chain. In 2019, FFT successfully launched customer applications in India and Russia.

FFT's Education and Training Academy was established in 1976. The training business is based on the complete German vocational education and training system. It provides short-term skills certification training and three-year postgraduate education. The courses cover electrical automation, mechanical processing, mobile programming, medical escort and other majors. In 2019, the training business trained more than 1,800 students for FFT and external customers. In the future, it will try to meet the needs of China and Germany for the dual system teaching.

FFT will continue to invest into R&D, localize the supply chain and reduce costs, enhance the profitability and competitiveness of the main business in the automotive industry, and expand the scale of the performance and market share. FFT makes full use of its accumulated automation know-how, as well as digests and absorbs continuously the skills from different

industries, and actively enters into the automation business in the new energy battery, automotive electronics, metal processing, etc. At the same time FFT expands its intelligent equipment and industrial digital business, to provide customers with complete smart factory solutions.

FAST-GROWING BUSINESS

Fosun United Health Insurance

Fosun United Health Insurance was established in January 2017 with a registered capital of RMB500 million. Fosun United Health Insurance, as a professional health insurance company, was sponsored by the Group together with 5 other companies. As at the end of the Reporting Period, the Group held 20% equity interest in Fosun United Health Insurance. Fosun United Health Insurance is committed to providing high-quality health insurance products to customers. In the meantime, Fosun United Health Insurance actively probes the possibility to set up a health insurance pattern that can be operated with Chinese characteristics and devotes itself into the building of a digital and smart health service environment where the diversified health insurance and services can serve the needs of the clients.

Taking advantage of the resources from its shareholders with determination to be the pioneer and an exemplary company in China's managed care service, Fosun United Health Insurance has established a top-notch healthcare service system which provides Chinese families with cover-all solutions composed of whole-process health management, medical service, and financial protection. Fosun United Health Insurance actively operates in medical insurance, illness insurance, disability income insurance, healthcare insurance and accident insurance of all types in the PRC market, providing high-quality life cycle products and the whole-process service system for Chinese families. Presently, Fosun United Health Insurance has successively launched over 100 products in place. Among them, long-term critical illness insurance, and managed healthcare insurance are well accepted by the market and customers, thus premium has been on the increase.

As at the end of the Reporting Period, Fosun United Health Insurance has expanded its operations into Guangdong Province, Beijing, Shanghai, Sichuan and Jiangsu Provinces, and set up branches in Foshan, Dongguan, Jiangmen, Zhongshan and Huizhou in Guangdong Province. Its nationwide insurance income increased from RMB520.13 million in 2018 to RMB1,819.38 million in 2019, among which RMB166 million was from long period insurances, resulting in a short-term overall cost ratio of 129% (calculated based on the pre-audit financial statements). As at the end of the third quarter of 2019, the latest comprehensive risk rating of Fosun United Health Insurance stayed B rated by China Banking and Insurance Regulatory Commission.

Fosun United Health Insurance insists in “playing the insurance provider role” by concentrating on offering health and accident insurance policies. Revenue from health insurance was RMB1,691.61 million in 2019, accounting for 93% of the total insurance income; revenue from accident insurance was RMB127.77 million, accounting for 7% of the total insurance income.

Looking forward, Fosun United Health Insurance will continue to rely mainly on the high-quality health business of the shareholders, with a view to connecting all major health resources while creating ecological products to provide one-stop insurance and health services for healthy, and sub-healthy people and people who are suffering.

Starcastle Senior Living

Established in July 2012, Starcastle Senior Living is a joint venture formed by the Group and US-based Fortress Investment Group. With more than ten years of US senior living investment and operation experience and 8 years of localization experience in China, the team successfully launched and operated 5 projects and manages about 4,500 beds. With the mission of “improving the lifestyle of the elderly in China,” Starcastle Senior Living is committed to becoming a leading elderly care service provider in China. In March 2019, the Group became the sole shareholder of Starcastle Senior Living.

Starcastle Senior Living aspires to gradually become a leader in the geriatric health industry through its solid experience in pension community operations. At present, the single-project profit model has proven feasible, being profitable for three consecutive years. The first-of-its-kind all-inclusive monthly fee system and the right-to-use membership system have been well accepted and reproduced by customers and individuals across the spectrum. Centering on the Yangtze River Delta, Pearl River Delta, and Beijing, Starcastle Senior Living has a development strategy of expanding to 15 cities throughout the country. In addition, it has been actively researching and developing innovative products, including a combination of medical services and senior care, insurance combinations, second residences for the elderly, and online education for seniors and marketing and service models. Starcastle Senior Living also provides senior care market consulting, planning and positioning, design consulting, strategic consulting, third-party commissioned operation management, and other senior care solutions.

During the Reporting Period, Starcastle Senior Living posted a revenue of RMB88.64 million, an increase of 28% year-on-year. NOI reached RMB20.60 million in 2019, up 67% from 2018, and net profit reached RMB17.47 million in 2019, up 222.3% year-on-year. Net profit margin reached 19.7% in 2019.

Looking forward, through becoming a Continuing Care Retirement Community (CCRC) senior living investment and operation company with top domestic operations, high household satisfaction, and industry-leading profitability, Starcastle Senior Living will also consolidate its core pension operation capabilities and become a leader in providing healthy lifestyles for about one billion families worldwide by focusing on serving retired people.

Introduction of main projects:

Starcastle Zhonghuan Senior Living Community (Phase I)

Opened: May 2013

Floor area: 18,000 m²

Starcastle Zhonghuan Senior Living Community (Phase I) adopts a lease pattern, with a total of 189 independent living rooms and 30 assisted nursing beds for double occupants. As at the end of the Reporting Period, the number of occupants was 257. Since its opening, its three-year occupancy rate has remained stable at more than 90%, and has been fully booked for a long time. NOI rate reached 22.7%.

Starcastle Pujiang Senior Living Community

Opened: June 2016

Floor area: 27,000 m²

Starcastle Pujiang Senior Living Community adopts a membership system, with 367 pension memberships and 28 nursing beds. The service team consists of nursing, catering, room service, events, and administrative departments. It provides professional senior care, a high-end healthy diet, comprehensive support services, rich cultural and entertainment activities, and one-stop 24-hour services. NOI rate reached 23.2%, and it is expected to exceed 30% after the occupancy rate stabilizes. Membership fees have increased by more than 43% compared to 2016.

Starcastle Zhonghuan Senior Living Community (Phase II)

Opening: 2020 (expected)

Floor area: 104,582 m²

Currently, Starcastle Zhonghuan Senior Living Community (Phase II) project is under internal fit-out. A new 104,582 square meter apartment complex with 897 self-care rooms is planned to open in 2020. It is next to the Starcastle Zhonghuan Senior Living Community (Phase I) project, which has successful operations and already has hundreds of elderly people living in it. Equipped with more than 8,000 square meters of more aging-friendly activity space, the second phase will maintain a consistently outstanding level of service and provide elderly care services to more than 1,500 seniors.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB9,888.0 million in 2019 from RMB6,887.6 million in 2018. The increase in net interest expenditures in 2019 was mainly attributable to the growth in scale of borrowings and in the interest rates of borrowings. The interest rates of borrowings in 2019 were approximately between 0.5% and 17.65%^{note}, as compared with approximately between 0% and 9.8% for the same period of last year.

TAX

Tax of the Group increased to RMB7,348.0 million in 2019 from RMB4,985.1 million in 2018. The increase in tax mainly resulted from the increase in taxable profit of the Group.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 31 December 2019, the total debt of the Group was RMB208,287.1 million, representing an increase over RMB186,140.4 million as at 31 December 2018, which was mainly due to the increase in borrowings as a result of business expansion of various segments of the Group. As at 31 December 2019, mid-to-long-term debt of the Group accounted for 60.3% of total debt, as opposed to 63.6% as at 31 December 2018. As at 31 December 2019, cash and bank and term deposits decreased by 10.7% to RMB94,900.5 million as compared with RMB106,316.5 million as at 31 December 2018.

INTEREST COVERAGE

In 2019, the interest coverage was 4.5 times as compared with 4.7 times for 2018. The decrease was mainly because the increase in EBITDA has lower proportion than that in net interest expenditures of the Group. The EBITDA of the Group increased to RMB44,103.3 in 2019 from RMB32,710.4 in 2018.

Note: Except the borrowings in Indian, the interest rates of borrowings in 2019 were approximately between 0.5% and 9.2%.

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
REVENUE	3	142,982,128	109,351,641
Cost of sales		<u>(89,026,695)</u>	<u>(67,728,602)</u>
Gross profit		53,955,433	41,623,039
Other income and gains	3	27,372,228	19,728,897
Selling and distribution expenses		(22,158,534)	(17,955,596)
Administrative expenses		(21,866,197)	(18,054,175)
Other expenses		(5,371,828)	(4,817,639)
Finance costs	4	(10,220,849)	(7,230,418)
Amount reported in profit or loss applying the overlay approach		(1,323,143)	2,742,521
Share of profits of:			
Joint ventures		2,045,361	1,779,707
Associates		<u>5,084,857</u>	<u>4,178,234</u>
PROFIT BEFORE TAX	5	27,517,328	21,994,570
Tax	6	<u>(7,347,951)</u>	<u>(4,985,054)</u>
PROFIT FOR THE YEAR		<u>20,169,377</u>	<u>17,009,516</u>
Attributable to:			
Owners of the parent		14,800,912	13,406,403
Non-controlling interests		<u>5,368,465</u>	<u>3,603,113</u>
		<u>20,169,377</u>	<u>17,009,516</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
- For profit for the year (RMB)	8	<u>1.73</u>	<u>1.57</u>
Diluted			
- For profit for the year (RMB)	8	<u>1.73</u>	<u>1.56</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	2019 RMB'000	2018 RMB'000
PROFIT FOR THE YEAR	<u>20,169,377</u>	<u>17,009,516</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Financial assets designated under the overlay approach:		
Amount reported in other comprehensive income/(loss) applying the overlay approach	1,323,143	(2,742,521)
Income tax effect	<u>(292,164)</u>	<u>696,174</u>
	1,030,979	(2,046,347)
Debt investments at fair value through other comprehensive income:		
Changes in fair value	2,959,757	(2,210,134)
Changes in allowance for expected credit losses	(150,588)	88,863
Reclassification adjustments for gains on disposal included in the consolidated statement of profit or loss	(515,562)	(721,212)
Income tax effect	<u>(294,977)</u>	<u>640,981</u>
	1,998,630	(2,201,502)
Change in other life insurance contract liabilities due to potential (gains)/losses on financial assets	(52,762)	228,727
Income tax effect	<u>(1,509)</u>	<u>21,147</u>
	(54,271)	249,874
Fair value adjustments of hedging instruments in cash flow hedges	(142,010)	117,717
Income tax effect	<u>17,683</u>	<u>132</u>
	(124,327)	117,849
Fair value adjustments of hedging of a net investment in a foreign operation	(231,121)	(782,588)
Income tax effect	<u>53,988</u>	<u>26,503</u>
	(177,133)	(756,085)
Share of other comprehensive income/(loss) of joint ventures	5,669	(13,232)
Share of other comprehensive loss of associates	(17,243)	(117,201)
Exchange differences on translation of foreign operations	<u>208,096</u>	<u>171,172</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>2,870,400</u>	<u>(4,595,472)</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
Year ended 31 December 2019

	2019	2018
	RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME (continued)		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Revaluation gain/(loss) upon transfer from owner-occupied property to investment property	312	(3,616)
Income tax effect	<u>27</u>	<u>(747)</u>
	339	(4,363)
Actuarial reserve relating to employee benefits	(105,481)	(3,155)
Income tax effect	<u>11,937</u>	<u>3,536</u>
	(93,544)	381
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	(916,113)	(3,507,342)
Income tax effect	<u>335,161</u>	<u>749,404</u>
	(580,952)	(2,757,938)
Share of other comprehensive loss of associates	(48,603)	-
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(722,760)</u>	<u>(2,761,920)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>2,147,640</u>	<u>(7,357,392)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>22,317,017</u>	<u>9,652,124</u>
Attributable to:		
Owners of the parent	16,541,197	6,990,090
Non-controlling interests	<u>5,775,820</u>	<u>2,662,034</u>
	<u>22,317,017</u>	<u>9,652,124</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2019

	2019	2018
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	39,610,397	36,310,360
Investment properties	59,360,379	46,567,826
Right-of-use assets	18,777,362	-
Prepaid land leased payments	-	3,427,895
Exploration and evaluation assets	507,028	403,267
Mining rights	536,023	548,186
Oil and gas assets	1,687,056	1,498,223
Intangible assets	23,326,888	19,084,808
Goodwill	20,252,439	19,092,279
Investments in joint ventures	25,757,655	24,891,895
Investments in associates	88,379,506	84,084,130
Financial assets at fair value through profit or loss	25,358,039	15,171,503
Equity investments designated at fair value through other comprehensive income	898,596	1,579,915
Debt investments at fair value through other comprehensive income	68,233,284	63,516,255
Debt investments at amortised cost	25,709,406	15,765,478
Properties under development	18,211,654	11,660,816
Due from related companies	854,603	809,991
Prepayments, other receivables and other assets	4,024,361	4,221,889
Deferred tax assets	5,787,038	6,311,021
Inventories	41,218	86,070
Policyholder account assets in respect of unit-linked contracts	907,648	139,328
Insurance and reinsurance debtors	126,409	123,697
Reinsurers' share of insurance contract provisions	4,669,061	4,794,300
Term deposits	1,253,305	410,812
Placements with and loans to banks and other financial institutions	39,078	78,473
Loans and advances to customers	426,292	653,693
Derivative financial instruments	303,116	290,585
Finance lease receivables	911,142	515,373
Total non-current assets	<u>435,948,983</u>	<u>362,038,068</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2019

	Note	2019 RMB'000	2018 RMB'000
CURRENT ASSETS			
Cash and bank		93,647,199	105,905,697
Financial assets at fair value through profit or loss		36,039,326	33,844,295
Equity investments designated at fair value through other comprehensive income		-	65,203
Debt investments at fair value through other comprehensive income		20,209,046	20,632,910
Debt investments at amortised cost		7,868,974	4,357,878
Derivative financial instruments		977,860	861,043
Trade and notes receivables	9	7,694,125	7,755,027
Contract assets and other assets		191,938	99,030
Prepayments, other receivables and other assets		19,056,697	16,842,348
Inventories		8,668,650	6,650,594
Completed properties for sale		12,640,372	14,313,790
Properties under development		33,036,615	27,860,035
Due from related companies		13,745,593	14,557,412
Policyholder account assets in respect of unit-linked contracts		176,539	176,822
Insurance and reinsurance debtors		13,973,826	13,041,130
Reinsurers' share of insurance contract provisions		5,958,133	3,298,322
Placements with and loans to banks and other financial institutions		273,511	39,327
Loans and advances to customers		4,195,966	4,629,621
Finance lease receivables		1,306,901	1,880,575
		<u>279,661,271</u>	<u>276,811,059</u>
Assets of a disposal group classified as held for sale		<u>70,942</u>	<u>34,711</u>
Total current assets		<u>279,732,213</u>	<u>276,845,770</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2019

	Note	2019 RMB'000	2018 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		82,738,138	67,740,818
Contract liabilities		21,419,105	22,112,767
Trade and notes payables	10	16,718,466	14,105,942
Accrued liabilities and other payables		36,122,172	27,466,126
Tax payable		10,020,028	7,315,529
Finance lease payables		-	88,827
Deposits from customers		40,892,261	41,714,245
Due to the holding company		3,058,650	2,289,988
Due to related companies		3,340,958	5,508,089
Derivative financial instruments		1,396,069	1,102,562
Accounts payable to brokerage clients		156,513	85,051
Unearned premium provisions		8,972,868	6,684,319
Provision for outstanding claims		21,321,027	15,740,723
Provision for unexpired risks		248,466	286,538
Financial liabilities for unit-linked contracts		133,031	144,102
Investment contract liabilities		7,621,231	7,593,473
Other life insurance contract liabilities		1,756,869	1,674,062
Insurance and reinsurance creditors		8,217,474	8,380,093
Financial liabilities at fair value through profit or loss		2,245,801	1,825,082
Due to banks and other financial institutions		1,994,062	1,557,878
Placements from banks and other financial institutions		17,501	140,119
		<u>268,390,690</u>	<u>233,556,333</u>
Liabilities directly associated with the assets classified as held for sale		<u>8,454</u>	<u>4,156</u>
Total current liabilities		<u>268,399,144</u>	<u>233,560,489</u>
NET CURRENT ASSETS		<u>11,333,069</u>	<u>43,285,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>447,282,052</u>	<u>405,323,349</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2019

	2019	2018
	RMB'000	RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	125,548,919	118,399,533
Finance lease payables	-	477,578
Deposits from customers	141,815	70,625
Derivative financial instruments	588,393	528,816
Deferred income	1,185,697	966,959
Other long term payables	18,364,777	10,585,968
Deferred tax liabilities	15,720,248	15,067,449
Provision for outstanding claims	17,831,984	18,152,768
Financial liabilities for unit-linked contracts	951,156	172,040
Investment contract liabilities	61,003,956	64,796,552
Other life insurance contract liabilities	24,361,463	14,813,332
Insurance and reinsurance creditors	146,361	141,169
Contract liabilities	513,067	252,710
Due to banks and other financial institutions	-	456,827
	<u>266,357,836</u>	<u>244,882,326</u>
Total non-current liabilities		
	<u>266,357,836</u>	<u>244,882,326</u>
Net assets	<u>180,924,216</u>	<u>160,441,023</u>

FOSUN INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2019

	2019	2018
	RMB'000	RMB'000
EQUITY		
Equity attributable to owners of the parent		
Share capital	36,714,828	36,660,729
Treasury shares	(130,259)	(139,226)
Other reserves	<u>85,967,773</u>	<u>72,007,335</u>
	122,552,342	108,528,838
Non-controlling interests	<u>58,371,874</u>	<u>51,912,185</u>
Total equity	<u>180,924,216</u>	<u>160,441,023</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS
Year ended 31 December 2019

1. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

1.1 BASIS OF PRESENTATION

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”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and financial assets which have been measured at fair value. Non-current assets/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.

The financial information relating to the years ended 31 December 2019 and 2018 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2019 in due course.

The Company's auditor has reported on these financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

1.2 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.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to <i>HKFRSs 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

The nature and the impact of the new and revised HKFRSs applied by the Group are described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of land buildings, machinery, furniture, fixtures, and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in other long-term payables and accrued liabilities. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition (continued)

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB565,205,000 that were reclassified from property, plant and equipment.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease.
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

As a lessee – Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., finance lease payables) measured under HKAS 17.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

	Increase/(decrease) RMB'000
Assets	
Increase in right-of-use assets	14,707,154
Decrease in property, plant and equipment	(565,205)
Decrease in intangible assets	(65,964)
Decrease in prepaid land lease payments	(3,427,895)
Decrease in the current portion of prepaid land lease payments in prepayments, other receivables and other assets	(34,664)
Decrease in prepayments, other receivables and other assets	<u>(175,794)</u>
Increase in total assets	<u>10,437,632</u>
Liabilities	
Increase in lease liabilities	11,240,589
Decrease in trade payables	(17,897)
Decrease in accrued liabilities and other payables	(25,070)
Decrease in other long-term payables	(193,585)
Decrease in finance lease payables	<u>(566,405)</u>
Increase in total liabilities	<u>10,437,632</u>
The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:	
	RMB'000
Operating lease commitments as at 31 December 2018	<u>15,816,392</u>
Less: Operating lease commitments for signed lease contract of which the lease terms were not started at 1 January 2019	(3,338,943)
Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019 and low-value leases	(100,644)
Add: Payments in optional extension periods not recognised as at 31 December 2018	<u>1,429,746</u>
Operating lease commitments as at 31 December 2018	13,806,551
Weighted average incremental borrowing rate as at 1 January 2019	5.47%
Discounted operating lease commitments as at 1 January 2019	10,674,184
Add: Finance lease liabilities recognised as at 31 December 2018	<u>566,405</u>
Lease liabilities as at 1 January 2019	<u>11,240,589</u>

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any significant impact on the financial position or performance of the Group.
- (c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any significant impact on the financial position or performance of the Group.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Materiality</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) 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 when the sale or contribution of assets between an investor and its associate or joint venture 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 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

In January 2018, the HKICPA issued HKFRS 17, a comprehensive new accounting standard for insurance contracts and investment contracts with discretionary participation features, covering recognition and measurement, presentation and disclosure. Once effective, HKFRS 17 will replace the existing HKFRS 4 *Insurance Contracts*. HKFRS 17 solves the comparison problems created by HKFRS 4 by requiring all insurance contracts and investment contracts with discretionary participation features to be accounted for in a consistent manner. Obligations under such contracts will be accounted for using current values instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. The Group is currently assessing the impact of the standard upon adoption.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION

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

- (i) The Health segment engages in the research and development, manufacture, sale and trading of pharmaceutical and health products and providing medical services and health management;
- (ii) The Happiness segment comprises principally the operation and investments in tourism and leisure, fashion consumer and lifestyle industries;
- (iii) The Insurance segment mainly engages in the operation of and investment in the insurance businesses;
- (iv) The Finance segment mainly engages in the operation of and investment in the banking and other financial businesses; and
- (v) The Investment segment comprises principally the primary market investments, secondary market investments, and investments in asset management companies and other companies of the Group.

The Insurance segment, Finance segment and Investment segment listed above all belong to Wealth sector of the Group.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that head office and corporate expenses are excluded from such measurement.

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.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2019

	Health	Happiness	Wealth			Eliminations	Total
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000		
Segment revenue:							
Sales to external customers	32,563,981	67,359,784	31,261,928	2,311,584	9,484,851	-	142,982,128
Inter-segment sales	<u>569,067</u>	<u>197,706</u>	<u>-</u>	<u>181,018</u>	<u>130,682</u>	<u>(1,078,473)</u>	<u>-</u>
Total revenue	<u>33,133,048</u>	<u>67,557,490</u>	<u>31,261,928</u>	<u>2,492,602</u>	<u>9,615,533</u>	<u>(1,078,473)</u>	<u>142,982,128</u>
Segment results	5,092,297	7,789,179	3,971,506	1,837,232	10,872,118	(79,854)	29,482,478
Unallocated expenses							(1,965,150)
Profit before tax	5,092,297	7,789,179	3,971,506	1,837,232	10,872,118	(79,854)	27,517,328
Tax	<u>(784,599)</u>	<u>(4,165,307)</u>	<u>(551,165)</u>	<u>(84,876)</u>	<u>(1,774,388)</u>	<u>12,384</u>	<u>(7,347,951)</u>
Profit for the year	<u>4,307,698</u>	<u>3,623,872</u>	<u>3,420,341</u>	<u>1,752,356</u>	<u>9,097,730</u>	<u>(67,470)</u>	<u>20,169,377</u>
Segment and total assets	<u>91,740,082</u>	<u>178,393,923</u>	<u>209,784,478</u>	<u>77,278,841</u>	<u>174,444,052</u>	<u>(15,960,180)</u>	<u>715,681,196</u>
Segment and total liabilities	<u>41,631,049</u>	<u>109,147,094</u>	<u>163,631,353</u>	<u>56,460,998</u>	<u>179,629,359</u>	<u>(15,742,873)</u>	<u>534,756,980</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2019 (continued)

	Health	Happiness	Wealth			Eliminations RMB'000	Total RMB'000
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000		
Other segment information:							
Interest and dividend income	205,893	409,011	3,431,341	47,546	1,003,413	(152,224)	4,944,980
Other income and gains (excluding interest and dividend income)	3,070,799	2,349,106	6,041,717	354,141	10,671,023	(59,538)	22,427,248
Amount reported in profit or loss applying the overlay approach	-	-	(1,323,143)	-	-	-	(1,323,143)
Impairment losses recognised in the statement of profit or loss, net	(504,450)	(589,051)	137,762	(96,666)	(61,955)	-	(1,114,360)
Finance costs	(1,168,810)	(1,952,170)	(227,570)	(18,666)	(7,115,064)	261,431	(10,220,849)
Share of profits and losses of							
- Joint ventures	(64,612)	(11,880)	(134,984)	-	2,256,383	454	2,045,361
- Associates	1,507,913	(122,255)	548,962	1,349,210	1,851,930	(50,903)	5,084,857
Depreciation and amortisation	(1,529,814)	(3,464,381)	(703,460)	(104,021)	(896,309)	-	(6,697,985)
Research and development costs	(2,055,004)	(95,135)	(40)	-	(32,101)	-	(2,182,280)
Gains on fair value adjustments of investment properties	-	97,421	494,842	-	1,051,285	-	1,643,548
Fair value gain/(loss) on financial assets at fair value through profit or loss	219,409	307,045	2,369,387	109,431	(1,299,502)	(1,867)	1,703,903
Investments in joint ventures	381,318	743,163	808,941	-	23,824,233	-	25,757,655
Investments in associates	24,738,598	20,575,349	8,766,050	12,857,249	22,475,912	(1,033,652)	88,379,506
Capital expenditure*	4,101,475	3,894,214	4,608,683	95,780	3,690,026	-	16,390,178

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2018

	Health	Happiness	Wealth			Eliminations	Total
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000		
Segment revenue:							
Sales to external customers	28,567,952	44,924,950	23,668,480	2,334,476	9,855,783	-	109,351,641
Inter-segment sales	525,328	11,467	-	148,197	90,423	(775,415)	-
Total revenue	<u>29,093,280</u>	<u>44,936,417</u>	<u>23,668,480</u>	<u>2,482,673</u>	<u>9,946,206</u>	<u>(775,415)</u>	<u>109,351,641</u>
Segment results	5,392,910	6,328,381	4,106,312	1,431,945	6,946,826	(40,141)	24,166,233
Unallocated expenses	-	-	-	-	-	-	(2,171,663)
Profit before tax	5,392,910	6,328,381	4,106,312	1,431,945	6,946,826	(40,141)	21,994,570
Tax	<u>(494,371)</u>	<u>(3,284,283)</u>	<u>(831,867)</u>	<u>32,209</u>	<u>(389,487)</u>	<u>(17,255)</u>	<u>(4,985,054)</u>
Profit for the year	<u>4,898,539</u>	<u>3,044,098</u>	<u>3,274,445</u>	<u>1,464,154</u>	<u>6,557,339</u>	<u>(57,396)</u>	<u>17,009,516</u>
Segment and total assets	<u>86,877,645</u>	<u>145,825,632</u>	<u>185,550,344</u>	<u>76,530,808</u>	<u>159,998,957</u>	<u>(15,899,548)</u>	<u>638,883,838</u>
Segment and total liabilities	<u>41,250,149</u>	<u>80,118,984</u>	<u>146,403,234</u>	<u>56,911,226</u>	<u>170,600,042</u>	<u>(16,840,820)</u>	<u>478,442,815</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2018 (continued)

	Health	Happiness	Wealth			Eliminations	Total
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000		
Other segment information:							
Interest and dividend income	158,752	190,715	3,565,174	77,518	1,111,528	(553,907)	4,549,780
Other income and gains (excluding interest and dividend income)	3,009,759	4,521,011	5,803,774	386,125	969,343	489,105	15,179,117
Amount reported in profit or loss applying the overlay approach	-	-	2,742,521	-	-	-	2,742,521
Impairment losses recognised in the statement of profit or loss, net	(170,725)	(10,624)	(93,553)	(88,407)	(229,035)	50,737	(541,607)
Finance costs	(1,018,923)	(872,208)	(194,197)	-	(5,423,509)	278,419	(7,230,418)
Share of profits and losses of							
- Joint ventures	(50,441)	(32,139)	-	-	1,862,287	-	1,779,707
- Associates	1,539,385	(589,425)	190,096	1,213,700	1,868,374	(43,896)	4,178,234
Depreciation and amortisation	(1,356,132)	(1,420,509)	(399,400)	(52,161)	(600,035)	-	(3,828,237)
Research and development costs	(1,402,292)	(34,375)	(322)	(4,273)	(22,240)	1,113	(1,462,389)
Gains on fair value adjustments of investment properties	-	46,522	290,391	-	96,016	-	432,929
Fair value (loss)/gain on financial assets at fair value through profit or loss	(193,283)	2,351,208	(4,589,284)	(229,361)	2,075,527	-	(585,193)
Investments in joint ventures	462,867	991,389	938,257	-	22,499,382	-	24,891,895
Investments in associates	26,552,936	17,662,942	8,004,198	11,489,224	21,149,867	(775,037)	84,084,130
Capital expenditure*	3,671,615	4,248,124	1,901,731	81,891	3,027,345	-	12,930,706

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

2. OPERATING SEGMENT INFORMATION (Continued)

* 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.

Geographical information

(a) REVENUE FROM EXTERNAL CUSTOMERS

	2019 RMB'000	2018 RMB'000
Chinese Mainland	78,837,056	58,628,408
Portugal	18,806,130	16,197,962
Other countries and regions	<u>45,338,942</u>	<u>34,525,271</u>
	<u>142,982,128</u>	<u>109,351,641</u>

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

(b) NON-CURRENT ASSETS

	2019 RMB'000	2018 RMB'000
Chinese Mainland	212,001,724	187,121,427
Hong Kong	7,067,052	3,686,002
Portugal	27,841,362	20,562,181
Other countries and regions	<u>53,561,828</u>	<u>40,508,034</u>
	<u>300,471,966</u>	<u>251,877,644</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and rights arising under insurance contracts.

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 2019 and 2018.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. 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 net earned premiums from the insurance business, the value of services rendered and rental receivables from investment properties during the year.

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

	2019 RMB'000	2018 RMB'000
Revenue		
Revenue from contracts with customers		
- Sale of goods (1)	78,877,923	56,878,181
- Rendering of services (2)	<u>31,147,565</u>	<u>28,043,977</u>
	110,025,488	84,922,158
Revenue from other sources		
- Insurance revenue (3)	31,071,816	23,594,764
- Rental income	1,772,643	1,070,766
- Interest income	<u>590,691</u>	<u>316,471</u>
	33,435,150	24,982,001
Others		
- Less: Government surcharges	<u>(478,510)</u>	<u>(552,518)</u>
	<u>142,982,128</u>	<u>109,351,641</u>
 (1) Sale of goods:		
Pharmaceuticals and medical products	24,967,129	21,094,954
Properties	23,987,470	22,740,120
Gold and jewellery	20,456,986	8,048,203
Ore products	2,662,183	1,298,815
Oil and gas	976,815	1,128,388
Others	<u>5,827,340</u>	<u>2,567,701</u>
	<u>78,877,923</u>	<u>56,878,181</u>
 (2) Rendering of services:		
Tourism	14,644,634	14,557,519
Healthcare	7,002,312	6,421,588
Property agency	520,311	438,558
Property management	1,210,884	1,273,977
Asset management	717,304	389,403
Fee and commission income	1,388,926	1,588,395
Others	<u>5,663,194</u>	<u>3,374,537</u>
	<u>31,147,565</u>	<u>28,043,977</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. REVENUE, OTHER INCOME AND GAINS (Continued)

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

	2019 RMB'000	2018 RMB'000
Revenue (continued)		
(3) Insurance revenue:		
Gross premiums written	38,317,001	28,377,536
Less: Premiums ceded to reinsurers and retrocessionaires	<u>(6,176,644)</u>	<u>(4,041,918)</u>
Net premiums written	32,140,357	24,335,618
Change in unearned premium provisions, net of reinsurance	<u>(1,068,541)</u>	<u>(740,854)</u>
Net earned premiums	<u><u>31,071,816</u></u>	<u><u>23,594,764</u></u>

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 a 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.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. REVENUE, OTHER INCOME AND GAINS (Continued)

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

Disaggregated revenue information

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

For the year ended 31 December 2019

Segments:

	Health	Happiness	Wealth			Total
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000	
Type of goods or services						
Sale of goods	25,031,615	48,798,572	-	3,247	5,044,489	78,877,923
Rendering of services	7,697,240	18,425,262	190,590	1,666,497	3,167,976	31,147,565
	32,728,855	67,223,834	190,590	1,669,744	8,212,465	110,025,488
Timing of revenue recognition						
Goods transferred at a point in time	25,031,615	48,798,572	-	3,247	5,044,489	78,877,923
Services rendered over time	7,697,240	18,425,262	190,590	1,666,497	3,167,976	31,147,565
	32,728,855	67,223,834	190,590	1,669,744	8,212,465	110,025,488

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. REVENUE, OTHER INCOME AND GAINS (Continued)

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

Disaggregated revenue information

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

For the year ended 31 December 2018

Segments:

	Health	Happiness	Wealth			Total
	RMB'000	RMB'000	Insurance RMB'000	Finance RMB'000	Investment RMB'000	
Type of goods or services						
Sale of goods	22,087,511	27,836,256	-	-	6,954,414	56,878,181
Rendering of services	6,682,248	17,241,345	73,790	2,020,366	2,026,228	28,043,977
	28,769,759	45,077,601	73,790	2,020,366	8,980,642	84,922,158
Timing of revenue recognition						
Goods transferred at a point in time	22,087,511	27,836,256	-	-	6,954,414	56,878,181
Services rendered over time	6,682,248	17,241,345	73,790	2,020,366	2,026,228	28,043,977
	28,769,759	45,077,601	73,790	2,020,366	8,980,642	84,922,158

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. REVENUE, OTHER INCOME AND GAINS (Continued)

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

Other income

	2019 RMB'000	2018 RMB'000
Interest income	1,187,351	757,874
Dividends and interest from financial assets at fair value through profit or loss	1,429,503	1,368,533
Dividends from equity investments at fair value through other comprehensive income	2,724	49,189
Interest income from debt investments at fair value through other comprehensive income	2,325,402	2,374,184
Rental income	671,678	537,157
Government grants	585,747	570,005
Consultancy and other service income	579,199	287,553
Fee income relating to investment contracts	666,428	493,955
Others	<u>954,163</u>	<u>1,159,202</u>
	<u>8,402,195</u>	<u>7,597,652</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

3. REVENUE, OTHER INCOME AND GAINS (Continued)

	2019 RMB'000	2018 RMB'000
Gains		
Gain on disposal of subsidiaries	4,029,184	45,059
Gain on bargain purchase of subsidiaries	64,338	3,706,384
Gain on remeasurement of previously held interests in step acquisitions of subsidiaries	61,464	633,445
Gain on disposal/partial disposal of associates	8,518,506	1,439,879
Gain on deemed disposal of associates	153,797	1,435,626
Gain on disposal of debt investments at fair value through other comprehensive income	1,179,936	2,136,148
Gain on disposal of items of property, plant and equipment	307,497	53,936
Gain on disposal of items of intangible assets	93,252	-
Gain on disposal of investment properties	348,800	5,201
Gain on disposal of non-current assets of a disposal group classified as held for sale	-	895,911
Gain on fair value adjustment of financial assets at fair value through profit or loss	1,703,903	-
Gain on fair value adjustment of investment properties	1,643,548	432,929
Gain on reversal of impairment of completed properties for sale	-	14,864
Gain on reversal of impairment of insurance and reinsurance debtors	-	15,747
Gain on reversal of impairment of debt instruments at amortised cost	-	710
Exchange gain, net	<u>865,808</u>	<u>1,315,406</u>
	<u>18,970,033</u>	<u>12,131,245</u>
Other income and gains	<u>27,372,228</u>	<u>19,728,897</u>
Total revenue, other income and gains	<u>170,354,356</u>	<u>129,080,538</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2019 RMB'000	2018 RMB'000
Interest on bank and other borrowings (including convertible bonds)	10,879,212	8,072,008
Incremental interest on other long term payables	18,241	9,203
Interest on lease liability	<u>579,914</u>	<u>-</u>
	11,477,367	8,081,211
Less: Interest capitalised, in respect of bank and other borrowings	<u>(1,604,987)</u>	<u>(1,230,761)</u>
Interest expenses, net	9,872,380	6,850,450
Interest on discounted bills	15,638	9,490
Interest on finance leases	-	27,632
Bank charges and other financial costs	<u>332,831</u>	<u>342,846</u>
Total finance costs	<u><u>10,220,849</u></u>	<u><u>7,230,418</u></u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

5. PROFIT BEFORE TAX

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

	2019 RMB'000	2018 RMB'000
Cost of sales:		
Cost of inventories sold	46,333,031	32,327,010
Cost of services provided	<u>42,693,664</u>	<u>35,401,592</u>
	<u>89,026,695</u>	<u>67,728,602</u>
Staff costs (including directors' and senior management's remuneration):		
Wages and salaries	15,500,715	13,486,951
Accommodation benefits:		
Defined contribution fund	655,551	573,920
Retirement costs:		
Defined contribution fund	552,894	484,503
Defined benefit fund	267,742	159,359
Equity-settled share-based payments	<u>456,238</u>	<u>372,432</u>
Total staff costs	<u>17,433,140</u>	<u>15,077,165</u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

5. PROFIT BEFORE TAX (Continued)

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

	2019 RMB'000	2018 RMB'000
Research and development costs	2,182,280	1,462,389
Auditor's remuneration	10,100	9,950
Depreciation of items of property, plant and equipment	2,938,953	2,546,476
Depreciation of right-of-use assets (2018: amortisation of land lease payments)	2,162,204	55,774
Amortisation of mining rights	12,163	9,407
Amortisation of oil and gas assets	319,406	241,084
Amortisation of intangible assets	1,265,259	975,496
Impairment of financial assets, net:		
- Impairment of receivables	208,480	66,793
- (Reversal) / provision of impairment of debt investments measured at fair value through other comprehensive income	(150,588)	88,863
- Impairment of loans and advances to customers	75,326	89,801
- Provision/(reversal) of impairment of insurance and reinsurance debtors	4,694	(15,747)
- Provision/(reversal) of impairment of debt investments at amortised cost	14,182	(710)
- Impairment of finance lease receivables	16,372	-
Provision for inventories	11,197	64,713
Provision for impairment of items of property, plant and equipment	32,441	73,031
Provision for impairment of investments in associates	559,105	90,050
Provision for impairment of intangible assets	225,151	12,252
Provision for impairment of property under development	48,559	-
Provision/(reversal) of impairment of completed properties for sale	1,866	(14,864)
Provision for impairment of goodwill	67,575	87,425
Lease payment not included in the measurement of lease liabilities	511,005	1,923,868
Exchange gain, net	(865,808)	(1,315,406)
Loss on derivative financial instruments	1,386,769	1,790,822
(Gain)/loss on fair value adjustment of financial assets at fair value through profit or loss	(1,703,903)	585,193
Ineffectiveness of hedges	<u>106,113</u>	<u>193,160</u>

* At 31 December 2019, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in the future years (2018: Nil).

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 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 Alma Lasers Ltd. (“Alma Lasers”), a subsidiary of the Group incorporated in Israel, is based on a preferential effective rate of 9.0% (2018: 8.44%).

The provision for income tax of Fidelidade - Companhia de Seguros, S.A., Multicare - Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A., subsidiaries incorporated in Portugal acquired by the Group, is based on a rate of 31.5% (2018: 31.5%).

The provision for income tax of AmeriTrust Group, Inc. and its subsidiaries incorporated in the United States acquired by the Group is based on a rate of 21% (2018: 21%).

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France acquired by the Group, is based on a rate of 34.43% (2018: 34.43%).

The provision for income tax of Hauck & Aufhäuser Privatbankiers AG (“H&A”) and its subsidiaries incorporated in Germany acquired by the Group in 2016, is based on a rate of 32.10% (2018: 32.14%).

The provision for income tax of Gland Pharma Limited, acquired in October 2017 by the Group incorporated in India, was based on a statutory rate of 34.61% before 1 April 2018. Since 1 April 2018, the statutory rate has increased to 34.94%. The provision for income tax of Gland Pharma Limited was based on a statutory rate of 27.0% in 2019.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

6. TAX (Continued)

The provision for income tax of entities incorporated in Chinese Mainland was based on a statutory rate of 25% (2018: 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 Chinese Mainland, which were taxed at preferential rates from 0% to 20%.

The major components of tax expenses for the years ended 31 December 2019 and 2018 are as follows:

	2019 RMB'000	2018 RMB'000
Current - Portugal, Hong Kong and others	710,106	794,324
Current - Chinese Mainland		
- Income tax in Chinese Mainland for the year	3,674,306	2,302,745
- LAT in Chinese Mainland for the year	2,886,484	2,479,167
Deferred	<u>77,055</u>	<u>(591,182)</u>
Tax expenses for the year	<u><u>7,347,951</u></u>	<u><u>4,985,054</u></u>

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 RMB1,010,594,000 (2018: RMB1,705,243,000).

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 RMB1,875,890,000 (2018: RMB803,924,000) 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 no unpaid LAT provision (2018:RMB30,000,000) 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.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

7. DIVIDENDS

	2019 RMB'000	2018 RMB'000
2018 final dividend declared in 2019 – HKD0.37 per ordinary share (2017 final dividend declared in 2018 – HKD0.35 per ordinary share)	2,781,877	2,511,948
2019 interim dividend – HKD0.13 per ordinary share (2018: Nil)	977,244	-
	3,759,121	2,511,948

The proposed final dividend of HKD0.37 per ordinary share for the year ended 31 December 2018 was declared and approved by the shareholders at the annual general meeting of the Company on 5 June 2019, amounting to a total of approximately HKD3,161,152,000.

On 27 August 2019, the board of directors declared an interim dividend of HKD0.13 per ordinary share, amounting to a total of approximately HKD1,110,480,000.

On 31 March 2020, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2019 of HKD0.27 per ordinary share, amounting to a total of approximately HKD2,305,136,000, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 8,532,006,878 (2018: 8,560,362,611) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit 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 interest on the convertible bonds. 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 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.

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

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

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	14,800,912	13,406,403
Less: Cash dividends distributed to the share award scheme	<u>(3,831)</u>	<u>(3,195)</u>
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	14,797,081	13,403,208
Interest on convertible bonds	-	682
Cash dividends distributed to the share award scheme	<u>3,831</u>	<u>3,195</u>
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	<u><u>14,800,912</u></u>	<u><u>13,407,085</u></u>
Shares		
	Number of shares	
	2019	2018
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	8,532,006,878	8,560,362,611
Effect of dilution – weighted average number of ordinary shares:		
- Share award scheme	6,320,858	5,770,730
- Share option scheme	-	8,040,030
- Convertible bonds	<u>-</u>	<u>2,089,041</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u><u>8,538,327,736</u></u>	<u><u>8,576,262,412</u></u>
Basic earnings per share (RMB)	<u><u>1.73</u></u>	<u><u>1.57</u></u>
Diluted earnings per share (RMB)	<u><u>1.73</u></u>	<u><u>1.56</u></u>

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

9. TRADE AND NOTES RECEIVABLES

	2019 RMB'000	2018 RMB'000
Trade receivables	7,586,989	6,715,368
Notes receivable	<u>107,136</u>	<u>1,039,659</u>
	<u><u>7,694,125</u></u>	<u><u>7,755,027</u></u>

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

	2019 RMB'000	2018 RMB'000
Outstanding balances with ages:		
Within 90 days	4,690,165	4,224,990
91 to 180 days	1,176,040	1,333,338
181 to 365 days	1,481,813	858,939
1 to 2 years	379,729	337,721
2 to 3 years	180,133	128,952
Over 3 years	<u>186,557</u>	<u>113,760</u>
	8,094,437	6,997,700
Less: Loss allowance for trade receivables	<u>507,448</u>	<u>282,332</u>
	<u><u>7,586,989</u></u>	<u><u>6,715,368</u></u>

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

	<u>Credit terms</u>
Health segment	90 to 180 days
Happiness segment	30 to 360 days

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

10. TRADE AND NOTES PAYABLES

	31 December 2019 RMB'000	1 January 2019 RMB'000	31 December 2018 RMB'000
Trades payable	16,338,761	13,790,887	13,808,784
Notes payable	<u>379,705</u>	<u>297,158</u>	<u>297,158</u>
	<u>16,718,466</u>	<u>14,088,045</u>	<u>14,105,942</u>

As a result of the initial application of HKFRS 16, accrued lease payments of RMB17,897,000 previously included in “trade payables” were adjusted to the right-of-use assets recognised at 1 January 2019 (refer to note 1.2(a) to the financial statements for further details).

An ageing analysis of the trade payables as at the end of the reporting period is as follows:

	2019 RMB'000	2018 RMB'000
Outstanding balances with ages:		
Within 90 days	7,890,570	5,152,391
91 to 180 days	1,826,778	2,180,065
181 to 365 days	2,531,034	1,938,098
1 to 2 years	2,657,181	1,315,522
2 to 3 years	455,079	1,786,838
Over 3 years	<u>978,119</u>	<u>1,435,870</u>
	<u>16,338,761</u>	<u>13,808,784</u>

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

FOSUN INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
Year ended 31 December 2019

11. EVENTS AFTER THE REPORTING PERIOD

1. The outbreak of the coronavirus disease (“COVID-19”) in early 2020 has certain impacts on the Group’s business operation and the Group has implemented various measures to mitigate such impacts. The Group will pay continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group. Up to the date of the approval of these financial statements, the assessment is still in progress.
2. On 20 March 2020, Sanya Atlantis Asset-backed Securities Program (the “Special Program”) was established and the issuance of the commercial mortgage backed securities (“CMBS”) pursuant to the Special Program was completed. The term of the CMBS is for 24 years with effect from the date of establishment of the Special Program. The issue size of the prioritized CMBS is RMB6.8 billion, with a coupon rate of 5% and 48 repayment instalments every six months. The issue size of the subordinated CMBS is RMB201 million, which was subscribed by Shanghai Fosun Tourism Management Co., Ltd., a subsidiary of the FTG.

12. COMPARATIVE AMOUNTS

As further explained in note 1.2(a) to the financial statements, the Group adopted HKFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

Certain comparative amounts, including the comparative segment information have been reclassified to conform with current year's presentation and disclosures.

CORPORATE GOVERNANCE

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

MODEL CODE

The Company has adopted the Model Code. Specific enquiry has been made to all 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 unpublished inside information of the Company.

No incident of non-compliance of the above-mentioned written guidelines by the relevant employees of the Company was noted by the Company.

AUDIT COMMITTEE

As at the end of the Reporting Period, the audit committee of the Company (the “**Audit Committee**”) comprises five Independent Non-Executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang, Mr. Yang Chao³ and Dr. Lee Kai-Fu. The main duties of the Audit Committee are to review the financial statements and reports; to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company’s financial reporting system, risk management and internal control system. The Company’s annual results for the year ended 31 December 2019 have been reviewed by the Audit Committee.

ESTABLISHMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Group established the Environmental, Social and Governance Committee (the “**ESG Committee**”) on 26 March 2019, comprising seven Directors, namely Mr. Yang Chao (Chairman)⁴, Mr. Qin Xuetao, Mr. Wang Can⁵, Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu. The ESG Committee was established to assist the

³ Mr. Yang Chao has resigned as an Independent Non-Executive Director and a member of the Audit Committee with effect from 21 February 2020.

⁴ Mr. Yang Chao has resigned as the Chairman of the ESG Committee with effect from 21 February 2020. Dr. Lee Kai-Fu has been appointed as the Chairman of the ESG Committee with effect from the same day.

⁵ Mr. Wang Can resigned as an Executive Director, a Senior Vice President, and a member of the ESG Committee with effect from 21 January 2020.

Board in providing direction on and overseeing the development and implementation of the environmental, social and governance initiatives of the Group, including (i) corporate social responsibility initiatives; (ii) environmental protection initiatives; and (iii) philanthropic and community investment initiatives.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Wednesday, 3 June 2020. The notice of AGM will be published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of HKD0.27 per Share for the year ended 31 December 2019 to the shareholders of the Company whose names appear on the register of members of the Company on 12 June 2020. Subject to approval by the shareholders of the Company at the AGM, the proposed final dividend is expected to be paid on or around 16 July 2020 to the shareholders of the Company.

The register of members of the Company will be closed from Friday, 29 May 2020 to Wednesday, 3 June 2020, 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 Thursday, 28 May 2020.

The register of members of the Company will also be closed from Wednesday, 10 June 2020 to Friday, 12 June 2020, both days inclusive, during which period no transfer of shares will be effected. 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 Tuesday, 9 June 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 15,650,000 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD158,597,274.23. All the repurchased Shares were cancelled.

Details of the repurchase are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Highest price paid per Share HKD	Lowest price paid per Share HKD	Total purchase price paid HKD
May 2019	6,800,000	11.42	10.02	71,410,329.60
June 2019	3,950,000	10.12	9.84	39,349,510.00
September 2019	3,200,000	9.98	9.66	31,581,784.73
October 2019	1,700,000	9.72	9.41	16,255,649.90
Total	15,650,000	-	-	158,597,274.23

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 2019.

SHARE AWARD SCHEME

The share award scheme was adopted by the Company on 25 March 2015 (the “**Share Award Scheme**”), unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the circulars of the Company dated 26 April 2019 and 8 October 2019.

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

On 27 March 2019, the Board resolved to award an aggregate of 6,283,000 award Shares to 92 selected participants under the Share Award Scheme. The award Shares were settled by way of (i) issue and allotment of 5,973,750 new Shares (the “**2019 First New Award Shares**”) pursuant to a specific mandate obtained in the AGM held on 5 June 2019; and (ii) 309,250 award Shares which had lapsed before vesting. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the 2019 First New 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 2019 First New Award Shares have been fully issued to the Trustee.

On 28 August 2019, the Board resolved to award an aggregate of 420,000 award Shares to 10 selected participants under the Share Award Scheme. The award Shares were settled by way of (i) issue and allotment of 288,500 new Shares (the “**2019 Second New Award Shares**”) pursuant to a specific mandate obtained in the extraordinary general meeting held on 30 October 2019; and (ii) 131,500 award Shares which had lapsed before vesting. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the 2019 Second New 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 2019 Second New Award Shares have been fully issued to the Trustee.

SHARE OPTION SCHEME

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

On 27 March 2019, the Board announced that, subject to the acceptance of the relevant grantees, the Company has granted 83,880,000 share options to subscribe for an aggregate of 83,880,000 Shares under the New Share Option Scheme.

On 28 August 2019, the Board announced that, subject to the acceptance of the relevant grantees, the Company has granted 2,380,000 share options to subscribe for an aggregate of 2,380,000 Shares under the New Share Option Scheme.

FORWARD-LOOKING STATEMENTS

This results announcement 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 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.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the shareholders of the Company and published on both websites on or before 30 April 2020.

GLOSSARY

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

Formula

Management-adjusted NAV per share	=	[market value of listed investments held at the group level + the fair value of unlisted investments estimated by the management utilizing precedent transactions analysis or comparable company analysis - the net debt at the group level]/total issued number of shares of the Company
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 and term deposits
Net interest expenditures	=	Interest expenses, net + interest on discounted bills + interest on finance leases
ROE	=	profit attributable to owners of the parent for the year/[(opening balance of equity attributable to owners of the parent + ending balance of equity attributable to owners of the parent)/2]
Total debt	=	current and non-current interest-bearing bank and other borrowings
Total debt to total capital ratio	=	total debts/(shareholder's equity + total debt)

Abbreviations

AHAVA	AHAVA Dead Sea Laboratories Ltd.
AmeriTrust	AmeriTrust Group, Inc. (formerly known as Meadowbrook Insurance Group, Inc.)
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
the Board	the board of Directors
Cainiao	Cainiao Network Technology Co., Ltd. (菜鳥網絡科技有限公司)

CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chancheng Hospital	Foshan Chancheng Central Hospital Company Limited (佛山市禪城區中心醫院有限公司)
Club Med	Club Med SAS
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
EUR	Euro, the official currency of the Eurozone
FFT	FFT GmbH & Co. KGaA
Fidelidade	Fidelidade – Companhia de Seguros, S.A.
Fidelidade Assist �ncia	Fidelidade Assist �ncia – Companhia de Seguros, S.A. (formerly known as Cares – 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)
FFG	Fosun Fashion Group (Cayman) Limited
Fosun Hani Securities	Fosun Hani Securities Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assist �ncia
Fosun Kite	Fosun Kite Biotechnology Co., Ltd. (復星凱特生物科技股份有限公司)
Fosun Orinove	Fosun Orinove (Suzhou) Pharmaceutical Technology Co., Ltd. (復星弘創(蘇州)醫藥科技有限公司)
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 United Health Insurance	Fosun United Health Insurance CO., LTD (復星聯合健康保險股份有限公司)
FTG	Fosun Tourism Group, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01992
GFA	Gross floor area
Gland Pharma	Gland Pharma Limited
Guide	Guide Investimentos S.A. Corretora de Valores
the Group or Fosun	the Company and its subsidiaries
H&A	Hauck & Aufh �user Privatbankiers AG (formerly known as Hauck & Aufh �user Privatbankiers KGaA)
Hainan Mining	Hainan Mining Co., Ltd. (海南礦業股份有限公司), a company whose A shares are listed on the SSE with stock code 601969
HKD	Hong Kong dollars, the official currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of PRC

Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
La Positiva	La Positiva Seguros y Reaseguros S.A.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Sa úde	Luz Sa úde, S.A. (formerly known as ESP RITO SANTO SAÚDE – SGPS, SA), who has been delisted from the Euronext Lisbon in November 2018
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare – Seguros de Sa úde, S.A.
Mybank	Zhejiang E-Commerce Bank Co., Ltd. (浙江網商銀行股份有限公司)
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司), a company whose A share are listed on the SSE with stock code 600282
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd. (南京南鋼鋼鐵聯合有限公司)
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd. (復星保德信人壽保險有限公司)
PRC or China	the People’s Republic of China
Reporting Period	the year ended 31 December 2019
RMB	Renminbi, the official currency of the PRC
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd. (北京三元食品股份有限公司), a company whose A shares are listed on the SSE with stock code 600429
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 H shares are listed on the Hong Kong Stock Exchange with stock code 02696.
Share(s)	the share(s) of the Company
Silver Cross	Silver Cross Nurseries Limited
Sinopharm	Sinopharm Group Co., Ltd. (國藥控股股份有限公司), a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099
Sisram Med	Sisram Medical Ltd, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01696
SSE	the Shanghai Stock Exchange
Starcastle Senior Living	Shanghai Starcastle Senior Living Co., Ltd. (上海星堡老年服務有限公司)
Tom Tailor	TOM TAILOR Holding SE, a company whose shares are listed on the Frankfurt Stock Exchange with stock code TTI
Tsingtao Brewery	Tsingtao Brewery Company Limited (青島啤酒股份有限公司), a company whose A shares are listed on the SSE with stock code

	600600, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 00168
USD	United States dollars, the official currency of the United States
Wolford	Wolford Aktiengesellschaft, a company whose shares are listed on the Vienna Stock Exchange with stock code WOL
Wolves	Wolverhampton Wanderers Football Club
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited (永安財產保險股份有限公司)
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司), a company whose A shares are listed on the SSE with stock code 600655

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

31 March 2020

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