FOSUN 复星

復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

INTERIM RESULTS ANNOUNCEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL SUMMARY

	For the six months ended 30 June	
In RMB million	**2020**	2019
Revenue	**63,269.2**	68,475.4
Health	**16,423.9**	16,465.4
Happiness	**26,940.4**	30,893.9
Wealth	**20,424.4**	21,476.9
Insurance	**14,150.4**	15,534.3
Finance	**1,312.4**	1,065.5
Investment	**4,961.6**	4,877.1
Eliminations	**(519.5)**	(360.8)
Profit/(loss) attributable to owners of the parent[note]	**2,012.1**	7,608.8
Health	**805.4**	865.1
Happiness	**(391.9)**	1,822.3
Wealth	**1,598.6**	4,921.4
Insurance	**(1,057.9)**	1,015.9
Finance	**468.6**	804.6
Investment	**2,187.9**	3,100.9
Earnings per share – basic *(in RMB)*	**0.24**	0.89
Earnings per share – diluted *(in RMB)*	**0.24**	0.89

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

BUSINESS OVERVIEW

Adhering to the positioning as an innovation-driven consumer group, the Group has been actively solidifying its foothold in three major businesses, namely Health, Happiness and Wealth. Faced with the huge impact of the COVID-19 epidemic, the Group has quickly responded, actively invested in vaccine research and development ("**R&D**") cooperation, and turned the disadvantaged situation into opportunities through digital, online and family-oriented strategies. The results are promising and gradually improving, revitalizing ourselves from the China business to the international business.

Health Business

The Group's Health business focuses on innovation-driven pharmaceutical manufacturing and health services ecosystem and adheres to the "4 IN" (innovation, internationalization, integration and intelligentization) strategies. Progress has been obtained in COVID-19 vaccines, biopharmaceutical drugs, small molecular innovative drugs, cell-mediated immunity, high-value generic drugs and international R&D collaboration. Highly promising products have been obtained certifications or permitted early entry into new phases of clinical trials in Chinese, the United States, Indian and the European Union markets.

In March 2020, Fosun Pharma's subsidiary was licensed by BioNTech SE to exclusively develop and commercialize COVID-19 vaccine products in Chinese mainland, Hong Kong, Macau Special Administration Region and Taiwan Region based on its mRNA technology platform. In July 2020, this company received an approval from the National Medical Products Administration for a clinical trial of its licensed COVID-19 mRNA vaccine (BNT1626b1) for the prevention of COVID-19 epidemic.

In April 2020, a wholly-owned subsidiary of Shanghai Henlius received two "Certificates of GMP Compliance of a Manufacturer" issued by Chief Pharmaceutical Inspector, a health regulatory body in Poland. Shanghai Henlius' biopharmaceutical manufacturing facility in Xuhui District, Shanghai has passed the Good Manufacturing Practice (GMP) inspection by the European Union in respect of HLX02 trastuzumab injection (trade name in European Union: Zercepac®) drug substance (DS) and drug product (DP) lines. In August 2020, the new drug application of HLX02 trastuzumab injection (trade name in Chinese Mainland: 漢曲優) independently developed by Shanghai Henlius has been approved by the National Medical Products Administration.

In July 2020, after the Hong Kong Stock Exchange approved the proposed spin-off and separate listing application of Gland Pharma by Fosun Pharma and the Company, Gland Pharma has filed the draft red-herring prospectus with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited (an Indian stock exchange located in

Mumbai); and applied for the in-principle approval for the listing of its equity shares on the National Stock Exchange of India Limited and BSE Limited.

Happiness Business

Despite being the segment with the most impressive growth in 2018 and 2019, the Happiness business has faced grave challenges from the epidemic in the first half of 2020. The Group has timely accelerated our digitalization, online, and family-oriented progress and millions of users have been accumulated on our online platforms such as Dongjia, Thomas Cook Lifestyle Platform and Foryou Club.

During the Reporting Period, Yuyuan recorded remarkable results with its “organic growth + external expansion”, “self-developed brand + external cooperation” and “online + offline” businesses all achieving outstanding performances. The business network has been expanding rapidly against the trend, in particular the accelerated store expansion in the second quarter. Since the resumption of business, from April to June 2020, the sales from direct-sales stores had been restored to the level of the corresponding period of last year. Yuyuan has acquired 55.4% equity interests in Djula, a French fashion jewellery brand and entered into an agreement with a high-end Italian jewellery group to jointly develop the Damiani and Salvini brands in the Chinese market. Yuyuan has also completed the acquisition of 29.99998% equity interest in Jinhui Liquor Co., Ltd. (listed on SSE with stock code 603919) in August 2020 to extend the whole food & beverage industry product chain. With the live streaming sales by KOLs (Key Opinion Leader) and amateurs forming the integral part of our regular sales channels, the sales momentum in online streaming has surged after the epidemic and the Tmall sales revenue of Laomiao Gold from January to June 2020 has also doubled year-on-year as a result.

Wealth Business

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.

Relying on the strength of the insurance-based fundamental assets under the Wealth business, we make full use of profound industrial operating capabilities and global investment capabilities to build a global asset management ecosystem, where our Fundamental assets contribute steady profits, our core High-growth assets bring in fast-growing profits, and our Innovative assets lay the foundation for the long-term growth potential and competitive power.

There were many highlights in the insurance segment:

As important subsidiaries of the Group, Fosun Insurance Portugal achieved a 5.2% year-on-year increase in non-life gross written premium along with an expansion in market share in Portugal, representing the best underwriting performance since joining the Group, with combined ratio at 89.1%.

Peak Reinsurance's results remain strong and resilient to the impact of COVID-19 epidemic, with robust growth and improved underwriting results year-on-year. Gross written premium increased by 4.9% on a year-on-year basis, of which property & casualty insurance renewal achieved a 16.2% increase year-on-year. The technical combined ratio[1] for non-life reinsurance dropped to 93.4%, a year-on-year improvement of 7.1 percentage points, driving net income to increase substantially by 93.3% year-on-year.

Against the background of an unprecedented public health crisis and an economic shutdown, during the Reporting Period, H&A's assets under management increased 13% year-on-year. At the same time, H&A's gross income rose by 22.5% year-on-year. H&A's profit before tax increased 85.5% year-on-year.

PERFORMANCE TARGETS FOR THE SECOND HALF OF THE YEAR

After the epidemic, we are determined to develop into an innovation-driven consumer group, implement a normalized mechanism for "wartime preparedness" and accelerate organizational evolution. At present, the domestic business has been fully resumed growth while overseas business has been restored gradually. In the second half of the year, we will rapidly evolve under the new situation, continue to promote our business through digital, on-line and family-oriented strategies, strengthen the capacity of profound industrial operation and upgrade the 0-to-1 products to 1-to-N development.

[1]Technical combined ratio = (loss incurred + acquisition costs) / net earned premium

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, total assets of the Group amounted to RMB744,985.6 million, representing an increase of approximately 4.1% from the end of 2019.

During the Reporting Period, revenue of the Group amounted to RMB63,269.2 million, representing a year-on-year decrease of RMB5,206.2 million, or approximately 7.6%, mainly attributable to the year-on-year decrease in the revenue of tourism and culture business of RMB4,534.9 million, as impacted by COVID-19 epidemic. From the perspective of product lines, during the Reporting Period, revenue of pharmaceutical and R&D, medical and health services, and medical equipment and diagnosis of Health Business represents 61%, 23% and 16% of the total Health Business revenue of the Group, respectively; revenue of branded consumer goods and tourism and culture of Happiness Business represents 83% and 17% of the total Happiness Business revenue of the Group, respectively; revenue of household finance, corporate finance and investment of Wealth Business represents 49%, 27% and 24% of the total Wealth Business revenue of the Group, respectively.

During the Reporting Period, profit attributable to owners of the parent amounted to RMB2,012.1 million, representing a year-on-year decrease of RMB5,596.7 million, or approximately 73.6%, in particular, (i) industrial operating profit[2] amounted to RMB4,058.7 million, representing a year-on-year decrease of RMB2,059.2 million from RMB6,117.9 million in 2019, or 33.7%, mainly due to decrease in profit contribution from tourism and culture business as well as other industrial operating profit, representing a year-on-year decrease of RMB1,128.1 million and RMB931.1 million respectively; (ii) investment income and others decreased by RMB3,537.5 million.

[2]Industrial operation profit included the profit contribution from operational subsidiaries as well as joint ventures and associates which are accounted under equity method.

ASSET ALLOCATION OF THE GROUP

Unit: RMB million

Segment	**Total assets as at 30 June 2020**	**Total assets as at 31 December 2019**	**Change from the end of 2019**
Health	90,735.8	91,740.1	-1.1%
Happiness	177,590.7	178,393.9	-0.5%
Wealth	492,678.2	461,507.4	6.8%
Insurance	219,323.0	209,784.5	4.5%
Finance	88,916.3	77,278.8	15.1%
Investment	184,438.9	174,444.1	5.7%
Eliminations	(16,019.1)	(15,960.2)	0.4%
Total	**744,985.6**	**715,681.2**	**4.1%**

Corporate Structure[1 2 3] (as of 30 June 2020)

Health			Happiness			Wealth			
Pharmaceutical	Medical Services & Health Management	Health Products	Tourism & Leisure	Fashion	Consumer & Lifestyle	Insurance	Finance	Investment	
Fosun Pharma[4] 38.51%	Fosun United Health Insurance 20%	Silver Cross 90.11%	FTG 80.97%	FFG 83.40%	Yuyuan[12] 68.56%	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] 76.46%	Tsingtao Brewery[13] 15.67%	AmeriTrust 100%	BCP 29.01%	IDERA 98%	Hainan Mining 51.57%
Sisram Med	Starcastle Senior Living 100%	St Hubert[7] 98.12%	Atlantis Sanya	Wolford[9] 58.45%	AHAVA[14] 100%	Peak Reinsurance 86.51%	Fosun Hani Securities 100%	Bund Finance Center 50%	FFT[16] 100%
Gland Pharma	Chancheng Hospital			Caruso[10] 73.79%	Baihe Jiayuan 69.16%	Pramerica Fosun Life Insurance 50%	Mybank 15.22%	28 Liberty 100%	
Sinopharm				St. John[11] 68.91%	Wolves 100%	Yong'an P&C Insurance 40.68%	Guide 71.25%		

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 30 June 2020.
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 38.54% 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 37.27% 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 76.46% by an associate of the Group in which the Group held 83.40% equity interest.
9. Wolford was held 58.45% by an associate of the Group in which the Group held 83.40% equity interest.
10. Raffaele Caruso S.p.A. was held 73.79% by an associate of the Group in which the Group held 83.40% equity interest.
11. St. John Knits International, Incorporated was held 68.91% by an associate of the Group in which the Group held 83.40% equity interest.
12. As at the date of the announcement, the equity interest held by the Group in Yuyuan increased to 68.59% through purchasing the shares of Yuyuan from the secondary market.
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. As at the date of the announcement, the effective equity interest in Tsingtao Brewery held by the Group has been diluted to 13.12% due to the issuance of A shares by Tsingtao Brewery.
14. Yuyuan through its subsidiary held 100% 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 Assistência.
16. FFT was 100% held by a subsidiary 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 six months ended 30 June 2020	For the six months ended 30 June 2019	Change over the same period of last year
Revenue	16,423.9	16,465.4	-0.3%
Profit attributable to owners of the parent	805.4	865.1	-6.9%

During the Reporting Period, revenue of the Health business was substantially the same compared to the same period of last year. The decrease in profit attributable to owners of the parent was mainly due to the decrease in the profit contribution of Luz Saúde as impacted by COVID-19 epidemic, which was partially offset by the increase in profits of Fosun Pharma.

Fosun Pharma

Adhering to the business philosophy of "Innovation for Good Health", Fosun Pharma and its subsidiaries ("**Fosun Pharma Group**") are striving to become a first-tier enterprise in the global mainstream pharmaceutical and healthcare market. In 1994, the predecessor of Fosun Pharma was founded, and was listed on the SSE four years later. In 2004, its predecessor officially changed its 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 the CSI 300 Index. In the same year, Fosun Pharma's research center was accredited as a national-level research center. In 2012, Fosun Pharma was listed on the Main Board of the Hong Kong Stock Exchange. As at the end of the Reporting Period, the Group held 38.51% 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 covers the full industry chain of pharmaceutical and healthcare businesses. With pharmaceutical manufacturing and R&D as its business core, Fosun Pharma Group focuses on medical devices and medical diagnosis, healthcare services, pharmaceutical distribution and retail.

During the Reporting Period, the revenue of Fosun Pharma Group slightly decreased by 0.85% to RMB13,965 million as compared to the corresponding period in 2019. In particular, the revenue from pharmaceutical manufacturing and R&D segment amounted to RMB9,952 million, representing a decrease of 7.97% as compared to the corresponding period of 2019. The revenue from medical devices and medical diagnosis segment amounted to RMB2,639 million, representing an increase of 47.18% as compared to the corresponding period of 2019. The revenue from healthcare service segment amounted to RMB1,359 million, representing a decrease of 6.85% as compared to the corresponding period of 2019. In the first quarter, the pandemic affected the injection business of the healthcare service segment and the pharmaceutical manufacturing and R&D segment of Fosun Pharma Group to a certain extent. With the orderly resumption of production and operation, revenue for the second quarter amounted to RMB8,098 million, representing an increase of 38.04% as compared to the first quarter, and a year-on-year increase of 9.96% from the second quarter of 2019.

During the Reporting Period, Fosun Pharma Group recorded net profit attributable to shareholders of the listed company amounted to RMB1,715 million, representing an increase of 13.1%, as compared to the corresponding period of 2019. Such increase was mainly due to: (1) contributions from various anti-pandemic products including the nucleic acid test kits for 2019-nCoV, negative pressure ambulances and ventilators; (2) revenue from core products such as febuxostat tablets (You Li Tong), pitavastatin calcium tablets (Bang Zhi) and escitalopram tablets (Qi Cheng) increased rapidly, and the sales of human rabies vaccine sustained rapid growth; rituximab injection (Han Li Kang) achieved rapid sales growth after obtaining approval for its additional production scale (2,000L), with revenue amounting to RMB224 million for the first half of the year, and revenue for this June exceeding RMB100 million; and (3) benefitting from the demands in the regulated markets, Gland Pharma, a subsidiary, maintained rapid growth.

During the Reporting Period, Fosun Pharma Group continued to enhance its R&D expenditure. The total R&D expenditure amounted to RMB1,689 million, representing an increase of 25.02% as compared to the corresponding period of 2019. In particular, the R&D expenses amounted to RMB1,204 million, representing an increase of RMB355 million or 41.81% as compared to the corresponding period of 2019.

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 innovative biotech company in the world by focusing on providing quality 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-entrant advantages; 2. Developing innovative product portfolios centered on combined immune therapy of tumours 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 engaged in biopharmaceutical R&D, 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 RMB110.4 million, an increase of approximately RMB93.4 million compared with the same period of 2019, mainly due to the growth in sales from commercialization of Shanghai Henlius' core products. For the six months ended 30 June 2020, primarily through the profit sharing arrangements under the cooperation agreement with Fosun Pharmaceutical Industrial Development Company Limited (上海醫藥產業發展有限公司), Shanghai Henlius achieved a total sales revenue of HLX01 (漢利康) of RMB95.8 million, and realised licensing income of RMB5.2 million. Gross profit was RMB52.0 million. However, mainly due to the expansion of R&D activities, the total loss increased from RMB316.9 million for the six months ended 30 June 2020 to RMB448.0 million for the six months ended 30 June 2020.

Benefiting from efficient biopharmaceutical industry-wide platform that integrates R&D, production and commercialization, outstanding global regulatory registration and clinical operation capability, a comprehensive quality management system as well as strong commercial operation capability, 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.

For the six months ended 30 June 2020, Shanghai Henlius recognised R&D expenditure of approximately RMB756.9 million, representing an increase of 43.2% year-on-year. In August

2020, the new drug application of HLX02 trastuzumab injection (trade name in Chinese Mainland: 漢曲優) independently developed by Shanghai Henlius has been approved by the National Medical Products Administration.

In 2020, Shanghai Henlius will further expand its biopharmaceutical pipeline covering oncology, auto-immune diseases and more fields, capitalize on 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.

HAPPINESS

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

Unit: RMB million

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Change over the same period of last year
Revenue	26,940.4	30,893.9	-12.8%
(Loss)/profit attributable to owners of the parent	(391.9)	1,822.3	-121.5%

During the Reporting Period, revenue of the Happiness business recorded a year-on-year decrease of 12.8% compared to the same period of last year, which was mainly attributable to the significant revenue decrease of FTG as impacted by COVID-19 epidemic. The profit attributable to owners of the parent decreased by 121.5% as loss attributable to owners of the parent of RMB391.9 million during the Reporting Period compared to the same period of last year, mainly due to the decrease in profit contribution from FTG, as well as the decrease in the investment gain of Happiness business as affected by the volatility of financial market, which was partly offset by the increase in profits of Yuyuan.

Yuyuan

Relying on the urban cultural and commercial strength in Shanghai, Yuyuan, with the mission of creating a happy life for families worldwide, is determined to become the world's first-class group in the family entertainment and consumption industry with roots in China, leading the trend of Chinese 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 which 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) in July 2019. In November 2002, the Group became the largest shareholder of Yuyuan. As at the end of the Reporting Period, the Group held approximately 68.56% equity interest in Yuyuan.

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

During the Reporting Period, Yuyuan achieved a revenue of RMB20,054.2 million and total net profits attributable to shareholders of the parent company of RMB1,105.1 million, representing a year-on-year increase of 0.9% and 10.4%, respectively.

Yuyuan has encouraged its expansion and external cooperation, setting eyes on the long term layout: Yuyuan acquired a 55.4% equity interest in French fashion jewellery brand Djula in March 2020; the proposed acquisition of a 29.99998% equity interest of Jinhui Liquor Co., Ltd. announced in May 2020 has been completed in August 2020, aiming at the entry of the high-quality Chinese liquor and the extension of food and beverage industry product chain. The acquisition of Fosun Jinmei (Shanghai) Cosmetics Co., Ltd. was completed in June 2020, gradually enriching the layout in the cosmetics industry. In July 2020, Yuyuan entered into an agreement with a high-end Italian jewellery group to jointly develop the Damiani and Salvini brands in the Chinese market through a joint venture.

After the epidemic was brought under control, all jewellery fashion stores nationwide have fully resumed operations since mid-April. Currently, all shops in Yuyuan business district have been re-opened and the resumption rate of real estate projects with composite functions have reached 100%.

Yuyuan will continue to drive its business 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 expand its store networks while improving the quality of channels. For cultural catering business, Yuyuan will actively promote the development of restaurant chains, 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 quality products. At the same time, Yuyuan will further enhance its competitive advantage and enrich its happiness and fashion industry through industrial investment. For real estates with composite functions, the development and implementation of benchmark projects will be accelerated to create truly offline happy fashion landmarks.

FTG

FTG is one of the world's leading leisure-focused integrated tourism groups, and the worldwide largest leisure tourism resorts group in terms of revenue in 2019 according to Frost & Sullivan 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 control of Club Med and subsequently transferred it to FTG upon reorganization. FTG was officially established in 2016, and was spun off from the Group and successfully listed on the Main Board of the Hong Kong Stock Exchange in December 2018. As at the end of the Reporting Period, the Group held approximately 80.97% 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. Focusing on the leisure and tourism needs of families around the world, FTG is engaged in the entire industry chain of leisure and tourism with integration of global resources.

The principal activities of FTG are (i) resorts, which FTG operates through Club Med, Club Med Joyview, Casa Cook and Cook's Club; (ii) tourism destinations, including Atlantis Sanya, Lijiang FOLIDAY Town, Taicang FOLIDAY Town, etc.; and (iii) services and solutions in various tourism and leisure settings.

During the Reporting Period, total revenue amounted to RMB4,527.8 million and loss attributable to owners of the parent of FTG amounted to RMB898.7 million which was significantly impacted by the epidemic.

FTG offers premium resort services in an all-inclusive package that includes accommodations, sports and leisure activities, entertainment, childcare, meals and open bar 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. Due to the global outbreak of COVID-19 epidemic, all resorts of Club Med were temporarily closed for months.

FTG has acquired the hotel brands of Casa Cook and Cook's Club to expand its global business of resorts and hotels. As at 21 August 2020, FTG has entered into franchise agreements with eight new hotels in Europe, which are currently in operation, and three new hotels in China.

Atlantis Sanya, located on the Haitang Bay National Coast of Sanya in Hainan Island, China, as the first tourism destination project of FTG, opened in April 2018, has become a local tour benchmarking. Affected by COVID-19 epidemic, the number of tourists declined obviously. With the gradual control of COVID-19 epidemic in China in mid-March, Atlantis Sanya has performed various marketing and promotion activities to promote its business. For the three months ended 30 June 2020, the business volume was approximately 75.1% of that of the same period in 2019; the occupancy rate by room was 61.3%, higher than the rate of the same period in 2019.

FTG launched the "FOLIDAY Town" (復遊城) brand, the key self-developed brand for tourism destination business. The vision of FOLIDAY Town is to connect various leading global tourism and leisure brands together to lead a new global vacation lifestyle by leveraging the global FOLIDAY ecosystem and the successful operation experience in Club Med and Atlantis Sanya. Lijiang FOLIDAY Town has started construction of saleable vacations inns and residence in the first half of 2020. The construction of Taicang FOLIDAY Town is expected to be completed in stages starting from 2021 and achieve full completion in the following three to four years.

As of the end of the Reporting Period, Foryou Club (FTG's loyalty program) had accumulated approximately 5.4 million members. In July 2020, FTG launched "Thomas Cook Lifestyle Platform", which integrates our internal superior resources, takes content as the core driver, and forms an open internet platform based on vacation and life products. The platform had 104,000 registered users from 6 July 2020 to 31 July 2020. FTG aims to further expand our FOLIDAY platform business leveraging the extensive brand awareness and profound influence of Thomas Cook brand.

FTG is already developing new resorts and refurbishing the operating resorts and intend to keep doing so in the future. The beach resort La Palmyre has accomplished the renovation project and reopened in January 2020. Among the new resorts, La Rosière will open at the end of 2020 and Club Med Seychelles will open in the coming winter. In addition, FTG plans to open a number of new resorts by 2022, including a seaside resort in Marbella, a mountain resort in Quebec Charlevoix, resort La Rosière Collection in France, and at least five new resorts in China, including a resort in Lijiang FOLIDAY Town.

WEALTH

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

Insurance

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

Unit: RMB million

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Change over the same period of last year
Revenue	14,150.4	15,534.3	-8.9%
(Loss)/profit attributable to owners of the parent	(1,057.9)	1,015.9	-204.1%

During the Reporting Period, the revenue of Insurance segment decreased by 8.9% compared to the same period of last year, mainly because of the revenue decrease in Fosun Insurance Portugal during its business restructuring period, which was partly offset by the growth in the revenue of Peak Reinsurance as a result of business expansion. Profit attributable to owners of the parent decreased by 204.1% as loss attributable to owners of the parent of RMB1,057.9 million during the Reporting Period compared with the same period of last year, mainly attributable to the loss on fair value adjustment of Insurance segment investment due to the volatility of financial market.

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 Assistência. As at the end of the Reporting Period, the Group held 84.9884% equity interest in Fidelidade and 80% equity interest in Multicare and Fidelidade Assistência, respectively. This platform is a leading player in the Portuguese insurance market and facilitates business development of the Group in Europe, Africa and Latin American countries.

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

During the Reporting Period, Fosun Insurance Portugal achieved a total market share in Portugal of 24.9%, being the market leader. In Life and Non-Life business, Fosun Insurance Portugal achieved market shares of 18.9% and 29.0%, respectively.

Fosun Insurance Portugal had a resilient performance despite the economy lockdown in the first half of 2020 as impacted by the epidemic. The capital markets volatility and overall uncertainties had a negative impact on new sales (mainly Life Financial) and investment results, however the ongoing policies remained resilient and the combined ratios improved.

During the Reporting Period, Fosun Insurance Portugal recorded total premium income of EUR1,548.5 million (first half of 2019: EUR2,244.0 million), non-life business combined ratio of 89.1% (first half of 2019: 96.9%), net earned premium of EUR1,002.3 million (first half of 2019: EUR1,293.9 million), net profit attributable to owners of the parent of EUR47.4 million (first half of 2019: EUR51.6 million), net assets attributable to owners of the parent of EUR2,528.2 million (first half of 2019: EUR2,414.7 million), investable assets of EUR17,149 million (first half of 2019: EUR17,387 million) and total investment return of 0.9% (not annualized) (first half of 2019: 1.3% (not annualized)).

Following the acquisition of 51% equity interest in La Positiva in 2019, Fosun Insurance Portugal's Peruvian operation has reached the third position in the local insurance market with a market share of 13% in June 2020 (12.1% in June 2019). In January 2020, FID Chile, a non-life insurance subsidiary of Fosun Insurance Portugal in Chile, has initiated its operations.

During the Reporting Period, Fosun Insurance Portugal's international business recorded overall premiums of EUR387 million representing 25% of its total premiums.

During the Reporting Period, Fosun Insurance Portugal won several distinguished awards, such as the "Superbrands 2020" (Consumers' Top of Mind Brand), "Marktest Reputation Index 2020" (first Insurance brand in Portugal), "Silver Award in EFMA-Accenture innovation in insurance awards 2020" (for travel insurance app "Just In Case"), "Marca de Confiança 2020" (Most Trusted Brand in 2020), "Escolha do Consumidor 2020" (Consumer's Choice in 2020) in the categories of "Excellence", "Insurance Companies" and "Direct insurance companies". 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 through 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 USD855.9 million (first half of 2019: USD815.8 million) and net earned premium income of USD637.4 million (first half of 2019: USD570.0 million), reflecting a stable growth despite a difficult period for the reinsurance industry as well as the global economy due to COVID-19 epidemic. Peak Reinsurance continues to make consistent profit since the commencement of its operations. During the Reporting Period, net profit of Peak Reinsurance reached USD26.1 million.

The underwriting margin improved to 10.8% in the first half underwriting year of 2020 (the first half underwriting year of 2019: 7.4%) due to further portfolio molding and rates hardening in Japan and US. Additionally, Peak Reinsurance introduced a strong corporate focus on the Non Commoditized Business which will ensure strong pricing stability based on business development.

As of 30 June 2020, Peak Reinsurance's total investment return was 0.7% (not annualized) with investable assets and net assets at USD2.0 billion and USD1.1 billion, respectively. Solvency remains very strong with solvency adequacy ratio of 358%. Peak Reinsurance continues to deliver stable and sustainable returns since its establishment.

Peak Reinsurance made great strides during the Reporting Period. In January 2020, Peak Reinsurance announced that following the successful placement of Lion Rock Re Ltd., Asia's first reinsurance sidecar transaction, it had renewed and upsized Lion Rock Re Ltd. to USD77 million. It reflected investors' confidence in Lion Rock Re Ltd.'s capability in providing them access to a unique and high quality and diversified portfolio of reinsurance business.

In May 2020, Peak Reinsurance completed the acquisition of 100% equity interest of Lutece Holdings Ltd. (renamed as Peak Capital Holdings Ltd.) and its subsidiary Lutece Investment Management Ltd. (renamed as Peak Capital Ltd.). The Bermuda-based Insurance Linked Securities investment specialist is now a wholly-owned subsidiary of Peak Reinsurance. It is expected that Peak Capital Ltd. will create new avenues for Peak Reinsurance to innovate for both customers and investors, working towards Peak Reinsurance's ambition of narrowing the protection gap in Asia.

Peak Reinsurance's outstanding achievement has been widely recognized in the industry. In June 2020, Moody's assigned a first-time A3 insurance financial strength rating (IFSR) to Peak Reinsurance, with a stable outlook. Moody's rationale for Peak Reinsurance's A3 IFSR is a reflection of the company's good franchise in the Asian reinsurance market, solid capitalization, expanding product and geographic diversification and product mix with low reserving risks. It enjoys an A- Excellent rating from AM Best and ranks the 30th Global Reinsurance Group by Standard & Poor in terms of net written premium.

The business continuity has been ensured with no day of closure since the beginning of the COVID-19 epidemic. As such any backlog from Peak Reinsurance's side was avoided. As Peak Reinsurance is not a specialty underwriter and still has a business concentration in Asia area where epidemic's influence is low, Peak Reinsurance considers the total impact of COVID-19 epidemic for 2020 performance will be mild.

Pramerica Fosun Life Insurance

Pramerica Fosun Life Insurance is a joint venture between the Group and The Prudential Insurance Company of America. With the approval of the regulatory authority, it was formally established in September 2012 and both shareholders held 50% of the joint venture shares. 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 and other insurance businesses; 2. reinsurance business of the above-mentioned businesses to customers.

During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB1,569.5 million with a decrease of 46.7% year-on-year, mainly due to the impact of the epidemic and the requirement of solvency adequacy ratio, the bancassurance channel strictly controlled the sales of single-pay products. As at the end of the Reporting Period, net asset was RMB1,462.6 million, representing a decrease of 10.7% compared with the end of 2019. Pramerica Fosun Life Insurance recorded net loss of RMB13.2 million, representing a decrease of loss by 92.2% year-on-year, solvency adequacy ratio of 161.2%, investable assets of RMB11,395.5 million, total investment return of 2.9% (not annualized).

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.

With enlarging and strengthening every basic group as the core, the agent channel strives to set up the model of high performance salesman and build a "Three-High" team (high income, high capacity and high retention), to establish core competitive edge for long-term value operation. During the epidemic outbreak in 2020, agent teams mainly shifted to online management and customer operation, enriched the online training system and marketing toolkits, and promoted the "every new recruit shall strive to sell four policies per month" culture to improve the team's capacity. At the same time, in order to seize the market opportunities for health products in the post-epidemic period, Pramerica Fosun Life Insurance launched "Zhenxing Health Guardian" health ecology program for family customers in May 2020, so as to facilitate the agent team to attract customers and expand customer operation activities. During the Reporting Period, the average monthly activity rate and the average monthly star-agent rate of the agent team increased by 31 and 26 percentage points respectively compared with those in the same period in 2019, marking an obvious optimization of the “health gene”. The original premium income of the agent channel in the first half of 2020 was increased to RMB 190.5 million, representing an increase by 3.8% year-on-year.

The bancassurance channel aims to achieve scale growth with new business value to certain degree. During the Reporting Period, the bancassurance channel focused on cultivating the team’s ability to promote the regular-pay products and operate bank outlets. The average monthly activity rate of the team on regular-pay products was maintained at the high level, and share of health products surged year-on-year. Through improving the three ecology platforms on health, endowment and wealth, Pramerica Fosun Life Insurance satisfies the needs of health management and wealth inheritance of high-net-worth clients. Due to the impact of the epidemic and the requirement of solvency adequacy ratio, the bancassurance channel strictly controlled the sales of single-pay products during the Reporting Period. The original premium income of the first half of 2020 was decreased to RMB 1,208.4 million, representing a decrease by 53.0% year-on-year.

The intermediary and internet channel maintains steady growth, by establishing competitive edge through “Product + Service + Ecology” mode and focusing on premium partners. By utilizing the scientific and technological means such as big-data risk control, Pramerica Fosun Life Insurance controls risks in the underwriting terminal, ensures value contribution, accumulates customers and renewal premium at the same time. The original premium income of intermediary and internet channel during the Reporting Period was decreased to RMB147.2 million, representing a decrease by 5.2% 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. Pramerica Fosun Life Insurance will continuously focus on construction of “Three-High” team and expansion of ecology system, to serve family customers with high-quality teams and services. Pramerica Fosun Life Insurance will continuously improve organizational capabilities with talent and technology upgrading, create competitiveness with “Products + Services”, enhance development strength with two-wheel drive of “assets + liabilities”, and improve the risk control capability. Pramerica Fosun Life Insurance 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 six months ended 30 June 2020	For the six months ended 30 June 2019	Change over the same period of last year
Revenue	1,312.4	1,065.5	23.2%
Profit attributable to owners of the parent	468.6	804.6	-41.8%

During the Reporting Period, the revenue of Finance segment increased, which benefited from the continuously increase in assets under management and the growth in investment banking of H&A. The decrease in profit attributable to owners of the parent was mainly due to the decrease in the profit of BCP as a result of its additional provision for the credit risk under the impact of the COVID-19 epidemic.

Hauck & Aufhäuser Privatbankiers AG (H&A)

Founded in 1796, H&A is headquartered in Frankfurt with offices in several key German cities such as Munich, Dusseldorf, Hamburg and Cologne. It also has branches in Luxembourg and London, a subsidiary in Zurich and a representative office in Paris. In September 2016, Fosun acquired 99.91% equity interest in H&A.

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

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

Against the background of an unprecedented public health crisis and an economic halt, the assets under H&A's service and management reached EUR150 billion as at the end of the Reporting Period, representing an increase of 13% compared with the same period of 2019. At the same time, H&A's gross income increased by 22.5% year-on-year to EUR114.4 million during the Reporting Period and its profit before tax increased from EUR15.2 million in mid-2019 to EUR28.2 million in mid-2020, with its total assets growing to EUR6,934 million.

H&A acquired Sal. Oppenheim jr. & Cie, a Luxembourg-based company, in December 2017, representing an important milestone in its growth strategy. The acquisition of Sal. Oppenheim jr. & Cie. was followed by another acquisition of the majority stake in Crossroads Capital Management Limited in Ireland. The acquisition gave H&A an opportunity to strengthen its brand and further enrich the product offering of its Asset Servicing. H&A announced in 2020 its planned acquisition of Bankhaus Lampe subject to authorities' approval with the aim of forming a new leading private bank in Germany.

H&A's growth story has gained recognition from the public, as a result of which the bank received several awards for its product and service quality in 2019, including the "best German private bank" granted by *Handelsblatt* and the "Golden Bull Award" for discretionary portfolio management in 2019.

BCP

In 1985, a group of over 200 shareholders and a team of experienced banking professionals incorporated BCP. During the period from 1995 to 2000, BCP solidified its position in the Portuguese banking market through a series of strategic mergers and acquisitions, and became one of the largest banks in Portugal. Since 2000, BCP started to expand into the 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. In 2010, BCP entered the Chinese mainland market through its Guangzhou representative office and relaunched its business activities in Macau Special Administration Region with a full onshore banking license. In November 2016, the Group invested in BCP. As at the end of the Reporting Period, the Group held 29.01% equity interest in BCP.

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

During the Reporting Period, the consolidated core income of BCP amounted to EUR1,104.3 million, 2.0% above EUR1,082.3 million achieved in the same period of previous year, mainly reflects the growth in net interest income plus net fees and commissions income in a particularly adverse economic environment. The net income attributable to bank's shareholders stood at EUR76.0 million compared with EUR169.8 million in the same period of previous year, due to the impact of the COVID-19 epidemic for which BCP needs to book additional provisions for the credit risk, amounting to EUR108.8 million on consolidated terms.

As at the end of the Reporting Period, the total assets of BCP amounted to EUR86,556 million, increasing by 7.0% year-on-year. The loans to customers amounted to EUR55,988 million, representing a 2.4% year-on-year growth. In particular, the good performance of loans to customers in Portugal led to a 3.3% year-on-year increase, reaching EUR38,402 million, which largely reflects the credit granted under the credit lines launched by the government in the context of the COVID-19 epidemic.

The balance of the government-secured loans provided by BCP as at the end of the Reporting Period amounted to approximately EUR2 billion and were made available to more than 12,500 companies, which has significantly reinforced BCP's ties with customer corporations and put it at the forefront in supporting the economy. It should also be noted that the non-performing exposure (NPE) reduced EUR1,179 million at BCP's group level resulting from the success of the divestment strategy, leading the NPE ratio as a percentage of the total loan portfolio to decline from 9.1% as at 30 June 2019 to 7.0% as at the end of the Reporting Period. At the same time, the reinforcement in the coverage of NPE at BCP's group level increased 4.2 percentage points year-on-year to 57.8% as at the end of the Reporting Period.

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

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 six months ended 30 June 2020	For the six months ended 30 June 2019	Change over the same period of last year
Revenue	4,961.6	4,877.1	1.7%
Profit attributable to owners of the parent	2,187.9	3,100.9	-29.4%

During the Reporting Period, the revenue of the investment segment remained basically the same as that for the same period of last year. The decrease in profit attributable to owners of the parent compared to the same period of last year was mainly attributable to the decrease in investment gains during the Reporting Period.

Fosun Capital

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

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 capture investment opportunities arising from China's growth momentum by integrating high-quality resources with industrial advantages. Relying on its high-quality post-investment services and the Group's strong global industry integration capabilities, Fosun Capital is able to empower the portfolio companies in terms of business resources and industrial depth, and achieve deep industrial integration and interaction.

In the past 13 years since its establishment, Fosun Capital has launched and managed a number of assets, including fund of funds, private equity investment funds, industry funds of listed companies and other types of equity investment funds. As at the end of the Reporting Period, Fosun Capital managed seven funds and the assets under management were over RMB20 billion. Fosun Capital is specialized in investment in the six fields including intelligent manufacturing, fashion consumption, TMT (Telecommunication, Media and Technology), healthcare, automotive and industrial services as well as new environmental protection energy.

During the Reporting Period, five of the portfolio companies under Fosun Capital have applied for IPO. In 2020, Fosun Capital was selected as one of the "Top 30 Best China's Private Equity Investment Institutions of 2019" by *Chinese Venture*.

In the future, Fosun Capital will pay more attention to the areas such as science and technology R&D, import substitution and consumption upgrade. At the same time, it will seek opportunities for foreign currency asset management to transform from an 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 the Group, and 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 an industrial platform and an independent fund to take root in China and cover major growing economic regions globally, with the aim of generating excellent investment returns and long-term strategic value for the Group.

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 the Group's various industrial sectors, helps the Group deepen its understanding of cutting-edge technologies and explore new industry directions. With China at the core of its strategic initiatives, on the one hand, Fosun RZ Capital is bridging the United States and Israel to capture the opportunities for cutting-edge technologies 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 the United States to emerging markets. During the Reporting Period, Fosun RZ Capital had 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. Since its incorporation, Fosun RZ Capital has invested in an average of around 20 new projects in each year. As at the end of the Reporting Period, Fosun RZ Capital has total assets under management amounting to billions of Renminbi. As at the end of 2019, two of its portfolio companies have launched IPO in the United States, among which Molecular Data, a leading technology-driven platform in the chemical industry in China invested by Fosun RZ Capital, successfully launched its IPO on NASDAQ and over ten projects have exited successfully in cash rendering outstanding performance. During the Reporting Period, over ten portfolio companies gained financing from subsequent rounds of fundraising.

During the Reporting Period, Fosun RZ Capital has also been selected as one of the "Top 100 Best Chinese Venture Capital Institutions 2019" and "Top 10 Best Chinese New Consumption Venture Capital Investment Cases 2019" by ChinaVenture, "China's Top 100 Venture Capital voted by Entrepreneurs 2019" by 36Kr, "Top 50 Venture Firms in China 2019" by Jiemian (a new financial media) and "2019 Top 25 Best Chinese CVC" by *National Business Daily*.

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

Nanjing Iron & Steel

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. Nanjing Iron & Steel has become a leading whole-process integrated iron and steel company operating with high efficiency. Leveraging its advanced technical equipment, it is capable of producing 10 million tons of crude steel per year. As at the end of the Reporting Period, the Group held approximately 25.88% 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. 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. 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. Adhering to customer orientation, Nanjing Iron & Steel established C2M (customer-to-maker) ecosystem in order to enhance customer loyalty, and provides its customers with complete and personalized solutions.

During the Reporting Period, Nanjing Iron & Steel overcame the impact of the epidemic and achieved the operating revenue of RMB24,358.3 million, representing a year-on-year increase of 1.1%. As impacted by the epidemic, the net profit attributable to shareholders of the listed company was RMB1,115.6 million, representing a year-on-year decrease of 39.4%, the net profit attributable to shareholders of the listed company in the second quarter was RMB 654.3 million, representing an increase of 41.8% quarter-on-quarter.

During the Reporting Period, Nanjing Iron & Steel's output of pig iron, crude steel and steel products were 5,095.5 thousand tons, 5,534.7 thousand tons and 4,856.9 thousand tons, respectively, representing a year-on-year increase of 5.90%, 2.58% and -3.45% (some production lines were adjusted for maintenance during the epidemic) respectively. Among them, the crude steel output in May 2020 exceeded 1 million tons for the first time, reaching a record high in a single month.

Nanjing Iron & Steel implemented the extensive protection of the Yangtze River, constructed the Yangtze River Ecological Wetland Park, and beautified the ecological environment along the Yangtze River. Crude steel emission of main pollutants, sulphur dioxide and nitrogen oxide in tons decreased by 38.34% and 44.96% year-on-year, respectively.

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. We will promote the construction of smart centralized control center, smart energy dispatching center, and financial sharing center in the iron district to realize centralized, intelligent and efficient management and control. In terms of R&D, 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. In terms of products, 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".

<u>Hainan Mining</u>

Established in August 2007, Hainan Mining was listed on the SSE in December 2014. Roc Oil Company Pty Limited ("**ROC**"), the subsidiary of Hainan Mining, engages in the full range of upstream business activities in the oil and gas industry from exploration and appraisal to development and production. As at the end of the Reporting Period, the Group held 51.57% equity interest in Hainan Mining.

Hainan Mining has been practicing "1+N" ecological construction, implementing vertical deployment of the industry chain. In 2019, it completed the acquisition of ROC and started its global deployment.

Hainan Mining's principal businesses include (i) iron ore mining, processing and sales business; (ii) iron ore international trading and mixed ore business; (iii) oil and gas business.

During the Reporting Period, the total revenue of Hainan Mining amounted to RMB1,270.1 million, representing a year-on-year decrease of 43.7%, and net profit attributable to shareholders amounted to RMB18.8 million, representing a year-on-year decrease of 58.2%. The epidemic affected downstream demand and international crude oil prices.

In respect of iron ore production, Hainan Mining has leveraged on its many years of experience in ore mining and processing to continuously revise and adjust its ground mining equipment, strengthen delicacy management for facilities, and has realized two-well production, which has significantly increased its ground mining production capacity. During the Reporting Period, the underground mining production at Shilu Mine reached 1.939 million tons, an increase of 39% year-on-year; the raw ore production reached 3.01 million tons, an increase of 38% year-on-year; and the finished ore production reached 1.647 million tons, an increase of 38% year-on-year.

In respect of sales of ore, Hainan Mining endeavours to actively expand the scope of trade, and achieve a win-win situation; it carefully retains existing clients while aggressively developing new customers, persuading several companies to resume using its ore, and making efforts to seek the signing of strategic cooperation with major clients.

In respect of oil and gas exploitation, confronting extreme volatility in oil price and significant decrease in demand, ROC took timely measures to stabilize the output and operation of its oil fields. With technical methods, it deferred and decreased unnecessary capital expenses to increase reserves and dilute fixed amortization cost to reduce the production cost. At the same time, on the premise of ensuring security and liquidity, the short-term yield of portfolio is increased to hedge the loss risk of stock investment.

Under the impact of epidemic, major economies except China came across a clear slowdown in growth. Against the backdrop of global economy under huge pressure, most of the countries have adopted active fiscal and monetary policies, with which the market demand for iron and iron ore resumed in China, yet with possibility that there may be bigger volatility in the future; fluctuation in oil and gas prices appears increasingly clear, but the demand is still weak. In the second half of 2020, Hainan Mining will endeavour to fully combine the company's development strategy with sale of lump ore, project investment and mergers and acquisitions, digitalized management, optimization of talents team and refined management. At the same time, it will apply new technologies to achieve green mines construction, putting the "clear water and green hills" concept of environmental protection into practice.

The Bund Finance Center

Located in the core district of the Bund in Shanghai at 600 Zhongshan No. 2 Road (E) (Postcode: 200010), Shanghai, China, with the Huangpu River to the east and Yuyuan Tourist Mart on the west, the Bund Financial Center ("**BFC**") is a benchmark project of Fosun's "Hive City" and 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 integrates ecology with office, retail, catering, entertainment, health, art and tourism, opening a brand-new horizon of life in Shanghai.

The Group has been actively developing its three business lines – Health, Happiness and Wealth at a deep level. Since the outbreak of the epidemic, the Group has been more determined to focus on the family consumption-oriented model. BFC is one of the exemplary models of Fosun's Happiness ecosystem, which regards "Fashion, Art, Design" as main theme and thoroughly implements the FC2M (Family C2M) strategy. The BFC introduces Fosun's rich industry resources to the areas surrounding landmarks to leverage the multiplier effect and creates the high-end product line of the Group's commercial projects, providing deep-level services to meet the needs of urban residents.

BFC's principal businesses include (i) office rental business which offers premium grade-A offices integrated with multiple smart building technologies and comfortable workspace experience with attentive concierge service; (ii) retail business that houses over 200 stores and brands, of which 30 stores are the first of its kind; (iii) catering business that offers an array of high-quality international restaurants; (iv) health business with a 3,000-square-meter gyms with swimming pool, gym equipment, sport classes and boxing training and a high-end medical clinic providing services such as health check-up, chronic disease and sub-health management, stomatological treatment, anti-aging treatment and beauty salon, body shape management and international healthcare; (v) art business conducted through the 4,000-square-meter Fosun Foundation Art Center (Shanghai), which has the world's first-ever three-layer moving veil system creating an unique and dynamic aesthetic appeal of the building; and exhibitions held in it include American artist Alex Katz's first solo exhibition in China; and (vi) family-oriented services that feature the Miniversity club of 2,000 square meter jointly established by FTG, Mattel (a children's entertainment brand) and Club Med (founder of children's clubs).

During the Reporting Period, BFC recorded total revenue of RMB288.3 million.

Despite the impact of the epidemic at the beginning of the year, BFC consolidated its efforts in the prevention of epidemic, ensured zero infection and maintain a stable occupancy rate. During this period, BFC secured transactions with key corporates and their entry into BFC office. After the epidemic stabilized, BFC heightened its efforts both online and offline, completing the goal of securing 100,000 new members ahead of schedule. BFC also launched an online shopping platform "iShopping" jointly with Fosun, integrating functions including online purchase, membership rights, interactive live streaming and store display. In respect of offline operation, BFC launched "Weekend Fair on 1 May" (五一週末市集), "Family Day on 15 May"(515家庭日), "BFC Dessert Carnival" (BFC甜品嘉年華), "BFC Fengjing Weekend Market" (外灘楓徑) and other highlighted activities in succession, rapidly gathering customers together and achieving agreeable results, among which, "BFC Fengjing Weekend Market" attracted accumulatively 2 million visits within two months after its launch.

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

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

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

FFT

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

FFT will stay committed to the transformation and upgrading of production technology of manufacturing enterprises for the next decade, and become a world-class digital, intelligent solution provider for the industry. FFT will create excellent intelligent equipment through endogenous R&D as well as M&A, accelerate the development of the industrial digital business, and provide customers with full-dimensional coverage of smart factory solutions.

At present, FFT provides automated and flexible production line as well as turn-key solutions for large manufacturing enterprises. Its main customers include Daimler, BMW, Volkswagen and other global first-tier automotive OEMs, as well as aircraft manufacturers such as Airbus, Boeing and COMAC. Furthermore, FFT is expanding horizontally into new industries such as the battery industry and automotive electronics. Through continuous joint research and development with first-class customers, FFT leads the development of intelligent manufacturing technology, formulates global standards, and further expands and improves its existing laser, vision, lightweight fixture and other proprietary technologies and standard product series.

During the Reporting Period, the total income of FFT was EUR 218 million, a year-on-year decrease of 35%; the EBITDA was EUR 9 million, a year-on-year decrease of 68%.

Due to the impact of the epidemic situation, the world's mainstream automobile and aviation engine plants have experienced a certain period of shutdown, resulting in a certain lag in the recognition of revenue and profit during the Reporting Period, and have already resumed normal production.

FFT will continue to focus on the development of its three core businesses in the global market in the future: in terms of flexible automation production line solutions, FFT will continue to expand its market share on the basis of consolidating the advantages accumulated in the automotive industry in the past 50 years. In 2020, FFT China will undertake orders of Foton-Daimler's heavy truck business for the first time to realize the horizontal expansion of customers. Furthermore, FFT will undertake orders for a battery box to accelerate the penetration of the new energy vehicles industry. In terms of general industry automation, FFT has set up a general industry subsidiary, focusing on serving the automation needs of industries other than the automotive industry, transplanting the core technical advantages accumulated by FFT in the automotive industry to the general industry, and further extending its business to new energy battery, automotive electronics, medicine, food and beverage, 3C and other industries, so as to create new business growth.

In terms of industrial digital services, FFT's digital twin and virtual commissioning technologies have been successfully applied in production lines of multiple customers. FFT has also set up an industrial digital subsidiary, focusing on industrial internet software for the production and operation levels, providing customized solutions for large and medium-sized enterprises, and providing SaaS services for small and medium-sized enterprises' intelligent factory solutions.

FFT will continue to invest in R&D, establish a global supply chain, 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 continuous learning and absorption of the skills from different industries, and actively enters into the automation business in new industries including new energy battery, automotive electronics, pharmaceutical manufacturing, food/dairy packing, 3C and other automatic industries. At the same time, FFT will continue to expand the existing laser, vision, lightweight fixture and other proprietary technologies and standard product series, create excellent intelligent equipment through endogenous R&D and mergers and acquisitions, accelerate the development of its industrial digital business, and provide customers with complete intelligent 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 explores 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.

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. As at the end of the Reporting Period, 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 sustained growth.

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 sub-branches in Foshan, Dongguan, Jiangmen, Zhongshan and Huizhou in Guangdong Province. Its nationwide insurance income increased from RMB1,076.0 million in the first half of 2019 to RMB1,096.4 million during the Reporting Period, among which the protection type insurance business achieved a year-on-year increase of 81%. As at the end of the Reporting Period, the total assets increased to RMB2,256.7 million, representing an increase of 13.5% compared to 2019 year end.

Fosun United Health Insurance adhered to “playing the insurance security provider role” by concentrating on offering health and accident insurance policies. During the Reporting Period, revenue from health insurance was RMB1,025.2 million, accounting for 94% of the total insurance income; revenue from accident insurance was RMB71.2 million, accounting for 6% of the total insurance income.

Looking forward, Fosun United Health Insurance will endeavour to create ecological products to provide one-stop insurance and health services for healthy, and sub-healthy people and people with diseases.

Fosun Integrated Care

Fosun Integrated Care is a one-stop, multi-level health and elderly care service brand established by the Group to implement the “Health China” national strategy and cover the entire life cycle of the elderly population. As at the end of the Reporting Period, Fosun Integrated Care held over 11,000 beds and managed area of 530,000 square meters, with an occupancy rate of 97% for mature projects.

Fosun Integrated Care is committed to integrating the global resources of the Group, creating a whole-industry chain and a globalized health community ecology, and providing customers with online smart terminal home services. Focusing on this strategic positioning, Fosun Integrated Care seamlessly connects global C-end (customer-end) and M-end (intelligent manufacturing end) under Fosun to build a global FC2M ecosystem. Fosun Integrated Care has completed the creation of healthy hives, Fosun's health scenarios and product extensions, and built the Carebox online community to realize the multiplier effect of the global value chain.

In summary, the main business of Fosun Integrated Care includes three major brands: (i) Starcastle Senior Living, a high-end elderly care community institution; (ii) Feng-lin, an integrated community with four core businesses which are vitality elderly care, nursing-type elderly care, rehabilitation nursing institution and community health; (iii) Xingjian, a high-end nursing home and rehabilitation hospital.

Fosun Integrated Care maintained steady growth during the Reporting Period despite the effect of the epidemic. In particular, total revenue reached RMB58.2 million, with a year-on-year growth of 58.5%, and loss attributable to owners of shareholders of the parent company was RMB27.0 million, with the loss reduced by 28.8% under the background of rapid income growth.

In the second half of 2020, in addition to achieving the three business module sales targets, Fosun Integrated Care will also widen and deepen its business, cooperate with other subsidiaries of the Group to actively expand the health hive. Also it intends to achieve rapid growth through various initiatives such as acquisitions, investments and strategic cooperation, tap into the Group's strong industrial investment capabilities, and raise platform financing when appropriate.

Fosun Integrated Care sets its sight on the future by devoting itself to promoting the operation of the entire industry chain in a comprehensive way and building a healthy hive, Fosun Health+scenarios, production scenarios and product extensions, as well as the CareboxCarebox online community. Digitalization will be taken forward alongside the commercialization drive. Taking a global perspective, Fosun Integrated Care Group aims at becoming a leading global health industry brand.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures of the Group, decreased to RMB4,734.3 million for the six months ended 30 June 2020 from RMB4,810.6 million for the six months ended 30 June 2019. The decrease in net interest expenditures was mainly attributable to the decline in the interest rate. For the six months ended 30 June 2020, the interest rates of borrowings were approximately between 0.3% and 9.5% as compared with approximately between 0.45% and 9.8% over the same period of last year.

TAX

Tax of the Group was RMB2,200.3 million for the six months ended 30 June 2020, which was decreased by RMB69.6 million compared with that for the six months ended 30 June 2019 of RMB2,269.9 million. The decrease in tax was mainly due to the decrease in taxable profit of the Group.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As of 30 June 2020, the total debt of the Group was RMB232,563.3 million, representing an increase from RMB208,287.1 million as of 31 December 2019, which was mainly due to the increase in borrowings as a result of business expansion of various segments of the Group. As of 30 June 2020, mid-to-long-term debt of the Group accounted for 53.4% of total debt, while 60.3% as of 31 December 2019. As of 30 June 2020, cash and bank balance and term deposits increased by RMB20,963.7 million to RMB115,864.2 million as compared with RMB94,900.5 million as of 31 December 2019.

During the Reporting Period, the Group actively built up fund reserves and had successfully issued accumulated RMB18.76 billion bonds in the public market (average financing cost of 4.06%) and successfully raised a syndication loan of approximately equivalent USD1.2 billion. During the Reporting Period, the average financing cost was 4.72%, which decreased by 0.34 percentage points as compared to that of the full year of 2019.

TOTAL DEBT TO TOTAL CAPITALIZATION RATIO

As of 30 June 2020, the ratio of total debt to total capitalization was increased to 56.9% as compared with 53.5% as of 31 December 2019. Healthy debt ratios and abundant funds can reinforce the Group's ability to defend against external risk exposure and ensure the Group to capture investment opportunities.

INTEREST COVERAGE

For the six months ended 30 June 2020, EBITDA divided by net interest expenditures was 2.9 times as compared with 4.4 times for the same period in 2019. The decrease was mainly due to that EBITDA of the Group decreased to RMB13,776.9 million for the six months ended 30 June 2020 from RMB21,124.5 million for the six months ended 30 June 2019.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2020

	Notes	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
REVENUE	3	63,269,235	68,475,442
Cost of sales		(38,708,624)	(43,749,865)
Gross profit		24,560,611	24,725,577
Other income and gains	3	7,383,163	13,018,314
Selling and distribution expenses		(10,008,730)	(10,429,198)
Administrative expenses		(10,301,509)	(10,370,687)
Other expenses		(5,177,449)	(1,954,301)
Finance costs	4	(5,037,956)	(4,934,179)
Amount reported in profit or loss applying the overlay approach		982,147	(493,419)
Share of profits and losses of:			
Joint ventures		900,529	309,532
Associates		2,071,733	3,616,114
PROFIT BEFORE TAX	5	5,372,539	13,487,753
Tax	6	(2,200,250)	(2,269,932)
PROFIT FOR THE PERIOD		3,172,289	11,217,821
Attributable to:			
Owners of the parent		2,012,111	7,608,763
Non-controlling interests		1,160,178	3,609,058
		3,172,289	11,217,821
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic			
- For profit for the period (RMB)		0.24	0.89
Diluted			
- For profit for the period (RMB)		0.24	0.89

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2020

	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	3,172,289	11,217,821
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Financial assets designated under the overlay approach		
Amount reported in other comprehensive (loss)/income applying the overlay approach	(982,147)	493,419
Income tax effect	219,411	(157,940)
	(762,736)	335,479
Debt investments at fair value through other comprehensive income:		
Change in fair value	(1,098,761)	1,987,134
Changes in allowance for expected credit losses	16,073	22,844
Reclassification adjustments for gains on disposal included in the consolidated statement of profit or loss	(2,779)	(311,800)
Income tax effect	342,662	(321,140)
	(742,805)	1,377,038
Change in other life insurance contract liabilities due to potential losses/(gains) on financial assets	94,723	(144,773)
Income tax effect	4,076	(11,808)
	98,799	(156,581)
Fair value adjustments of hedging instruments in cash flow hedges	69,816	(61,883)
Income tax effect	(11,715)	2,264
	58,101	(59,619)
Fair value adjustments of hedging of a net investment in a foreign operation	172,776	(54,046)
Income tax effect	(40,652)	12,342
	132,124	(41,704)
Share of other comprehensive loss of joint ventures	-	(470)
Share of other comprehensive income of associates	23,979	16,630
Exchange differences on translation of foreign operations	(902,722)	253,115
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(2,095,260)	1,723,888

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
For the six months ended 30 June 2020

	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
OTHER COMPREHENSIVE INCOME (continued)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Revaluation gains /(losses) upon transfer from owner-occupied property to investment property	51,283	(5,322)
Income tax effect	(10,565)	1,353
	40,718	(3,969)
Actuarial reserve relating to employee benefit	350	(24,116)
Income tax effect	(408)	2,786
	(58)	(21,330)
Equity investments designated at fair value through other comprehensive income		
Change in fair value	(167,453)	(520,129)
Income tax effect	13,744	1,340
	(153,709)	(518,789)
Share of other comprehensive income of associates	49,403	-
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(63,646)	(544,088)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(2,158,906)	1,179,800
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,013,383	12,397,621
Attributable to:		
Owners of the parent	416,201	8,679,474
Non-controlling interests	597,182	3,718,147
	1,013,383	12,397,621

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2020

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	39,661,005	39,610,397
Investment properties	64,905,189	59,360,379
Right-of-use assets	16,246,738	18,777,362
Exploration and evaluation assets	479,343	507,028
Mining rights	527,710	536,023
Oil and gas assets	1,700,108	1,687,056
Intangible assets	22,171,929	23,326,888
Goodwill	22,603,204	20,252,439
Investments in joint ventures	25,193,216	25,757,655
Investments in associates	93,028,805	88,379,506
Financial assets at fair value through profit or loss	24,295,193	25,358,039
Equity investments designated at fair value through other comprehensive income	801,548	898,596
Debt investments at fair value through other comprehensive income	65,469,957	68,233,284
Debt investments at amortised cost	26,192,309	25,709,406
Properties under development	14,925,609	18,211,654
Due from related companies	995,892	854,603
Prepayments, other receivables and other assets	3,377,094	4,024,361
Deferred tax assets	6,546,400	5,787,038
Inventories	41,218	41,218
Policyholder account assets in respect of unit-linked contracts	1,204,852	907,648
Insurance and reinsurance debtors	112,284	126,409
Reinsurers' share of insurance contract provisions	5,120,411	4,669,061
Term deposits	1,201,452	1,253,305
Placements with and loans to banks and other financial institutions	39,805	39,078
Loans and advances to customers	364,763	426,292
Derivative financial instruments	373,416	303,116
Finance lease receivables	796,184	911,142
Total non-current assets	438,375,634	435,948,983

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
30 June 2020

	Note	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
CURRENT ASSETS			
Cash and bank balances		114,662,795	93,647,199
Financial assets at fair value through profit or loss		28,882,030	36,039,326
Debt investments at fair value through other comprehensive income		22,316,127	20,209,046
Debt investments at amortised cost		7,500,700	7,868,974
Derivative financial instruments		976,538	977,860
Trade and notes receivables	8	9,002,827	7,694,125
Contract assets and other assets		1,671,369	191,938
Prepayments, other receivables and other assets		21,755,416	19,056,697
Inventories		9,377,741	8,668,650
Completed properties for sale		11,804,481	12,640,372
Properties under development		38,389,605	33,036,615
Due from related companies		11,704,019	13,745,593
Policyholder account assets in respect of unit-linked contracts		203,908	176,539
Insurance and reinsurance debtors		17,008,903	13,973,826
Reinsurers' share of insurance contract provisions		5,868,636	5,958,133
Placements with and loans to banks and other financial institutions		-	273,511
Loans and advances to customers		4,350,323	4,195,966
Finance lease receivables		1,058,769	1,306,901
		306,534,187	279,661,271
Assets of a disposal group classified as held for sale		75,791	70,942
Total current assets		306,609,978	279,732,213

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
30 June 2020

	Note	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		108,278,748	82,738,138
Contract liabilities		20,851,424	21,419,105
Trade and notes payables	9	16,392,872	16,718,466
Accrued liabilities and other payables		34,177,779	36,122,172
Tax payable		9,572,272	10,020,028
Deposits from customers		49,289,885	40,892,261
Due to the holding company		1,182,140	3,058,650
Due to related companies		2,876,030	3,340,958
Derivative financial instruments		1,641,906	1,396,069
Accounts payable to brokerage clients		547,618	156,513
Unearned premium provisions		9,634,709	8,972,868
Provision for outstanding claims		21,215,243	21,321,027
Provision for unexpired risks		268,206	248,466
Financial liabilities for unit-linked contracts		129,386	133,031
Investment contract liabilities		10,500,929	7,621,231
Other life insurance contract liabilities		1,686,032	1,756,869
Insurance and reinsurance creditors		10,333,260	8,217,474
Financial liabilities at fair value through profit or loss		2,688,681	2,245,801
Due to banks and other financial institutions		3,533,146	1,994,062
Placements from banks and other financial institutions		240,617	17,501
		305,040,883	268,390,690
Liabilities directly associated with the assets classified as held for sale		8,611	8,454
Total current liabilities		305,049,494	268,399,144
NET CURRENT ASSETS		1,560,484	11,333,069
TOTAL ASSETS LESS CURRENT LIABILITIES		439,936,118	447,282,052

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
30 June 2020

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	124,284,540	125,548,919
Deposits from customers	78,209	141,815
Derivative financial instruments	679,137	588,393
Deferred income	1,133,524	1,185,697
Other long term payables	16,440,954	18,364,777
Deferred tax liabilities	15,713,999	15,720,248
Provision for outstanding claims	19,258,442	17,831,984
Financial liabilities for unit-linked contracts	1,280,977	951,156
Investment contract liabilities	56,029,934	61,003,956
Other life insurance contract liabilities	23,921,415	24,361,463
Insurance and reinsurance creditors	186,119	146,361
Contract liabilities	537,703	513,067
Due to banks and other financial institutions	936,612	-
Due to the holding company	3,000,000	-
Total non-current liabilities	263,481,565	266,357,836
Net assets	176,454,553	180,924,216
EQUITY		
Equity attributable to owners of the parent		
Share capital	36,714,828	36,714,828
Treasury shares	(87,489)	(130,259)
Other reserves	83,895,594	85,967,773
	120,522,933	122,552,342
Non-controlling interests	55,931,620	58,371,874
Total equity	176,454,553	180,924,216

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 (the "Period") has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

The financial information relating to the year ended 31 December 2019 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on the financial statements for the year ended 31 December 2019. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

1.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*COVID-19-Related Rent Concessions* (early adopted)
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

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

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING (continued)

1.2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) 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 has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any significant impact on the financial position and performance of the Group.

(b) 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 did not have any significant impact on the financial position and performance of the Group.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING (continued)

1.2 CHANGES IN ACCOUNTING POLICIES (continued)

(c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the six months ended 30 June 2020, certain monthly lease payments for the leases of the Group's office buildings and retail stores have been reduced, waived or deferred by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB75,720,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the period ended 30 June 2020.

(d) 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. The amendments did not have any significant impact on the Group's interim condensed consolidated financial information.

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.

2. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2020 (unaudited)

	Health	Happiness	Wealth				
			Insurance	Finance	Investment	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	16,139,688	26,896,302	14,150,407	1,225,716	4,857,122	-	63,269,235
Inter-segment sales	284,198	44,114	-	86,698	104,472	(519,482)	-
Total revenue	16,423,886	26,940,416	14,150,407	1,312,414	4,961,594	(519,482)	63,269,235
Segment results:	2,886,735	755,873	(694,745)	643,122	2,412,686	(83,868)	5,919,803
Unallocated expenses							(547,264)
Profit before tax	2,886,735	755,873	(694,745)	643,122	2,412,686	(83,868)	5,372,539
Tax	(377,441)	(1,169,940)	(134,098)	(81,294)	(437,477)	-	(2,200,250)
Profit for the period	2,509,294	(414,067)	(828,843)	561,828	1,975,209	(83,868)	3,172,289
Other segment information:							
Interest and dividend income	115,645	202,658	1,581,162	27,013	337,580	(83,408)	2,180,650
Other income and gains (excluding interest and dividend income)	1,091,345	549,118	1,131,369	113,199	2,320,232	(2,750)	5,202,513
Amount reported in profit or loss applying the overlay approach	-	-	982,147	-	-	-	982,147
Impairment losses recognised in the statement of profit or loss, net	(59,368)	(56,076)	(221,630)	(22,292)	(19,326)	16,344	(362,348)
Finance costs	(566,836)	(1,044,237)	(110,180)	(1,400)	(3,450,565)	135,262	(5,037,956)
Share of profits and losses of							
- Joint ventures	(46,558)	(4,757)	(21,410)	-	973,254	-	900,529
- Associates	652,279	339,725	328,387	442,692	447,644	(138,994)	2,071,733

2. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2019 (unaudited)

	Health	Happiness	Wealth				
			Insurance	Finance	Investment	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	16,199,088	30,891,497	15,534,259	988,263	4,862,335	-	68,475,442
Inter-segment sales	266,312	2,369	-	77,223	14,801	(360,705)	-
Total revenue	16,465,400	30,893,866	15,534,259	1,065,486	4,877,136	(360,705)	68,475,442
Segment results:	2,625,222	3,950,171	1,345,810	984,936	5,576,534	(101,306)	14,381,367
Unallocated expenses							(893,614)
Profit before tax	2,625,222	3,950,171	1,345,810	984,936	5,576,534	(101,306)	13,487,753
Tax	(383,623)	(1,618,930)	(50,704)	(48,365)	(180,694)	12,384	(2,269,932)
Profit for the period	2,241,599	2,331,241	1,295,106	936,571	5,395,840	(88,922)	11,217,821
Other segment information:							
Interest and dividend income	104,852	246,616	1,755,230	46,005	443,291	(78,521)	2,517,473
Other income and gains (excluding interest and dividend income)	944,713	1,582,606	2,432,559	232,113	5,409,045	(100,195)	10,500,841
Amount reported in profit or loss applying the overlay approach	-	-	(493,419)	-	-	-	(493,419)
Impairment losses recognised in the statement of profit or loss, net	(36,311)	(105,209)	(45,931)	(21,330)	(45,334)	-	(254,115)
Finance costs	(584,338)	(860,416)	(100,620)	(2,247)	(3,494,138)	107,580	(4,934,179)
Share of profits and losses of							
- Joint ventures	(25,933)	(268,105)	(77,617)	-	681,169	18	309,532
- Associates	886,016	221,112	455,621	712,386	1,371,422	(30,443)	3,616,114

2. OPERATING SEGMENT INFORMATION (continued)

Total segment assets and liabilities as at 30 June 2020 and 31 December 2019 are as follows:

Segment assets:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Health	90,735,834	91,740,082
Happiness	177,590,696	178,393,923
Wealth		
Insurance	219,322,977	209,784,478
Finance	88,916,290	77,278,841
Investment	184,438,862	174,444,052
Eliminations*	(16,019,047)	(15,960,180)
Total consolidated assets	744,985,612	715,681,196

Segment liabilities:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Health	41,239,302	41,631,049
Happiness	109,545,087	109,147,094
Wealth		
Insurance	170,276,533	163,631,353
Finance	67,032,441	56,460,998
Investment	195,030,007	179,629,359
Eliminations*	(14,592,311)	(15,742,873)
Total consolidated liabilities	568,531,059	534,756,980

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

2. OPERATING SEGMENT INFORMATION (continued)

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese Mainland	35,841,277	38,916,298
Portugal	8,459,635	9,661,305
Other countries and regions	18,968,323	19,897,839
Total Revenue	63,269,235	68,475,442

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

3. REVENUE, OTHER INCOME AND GAINS

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

	Note	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue			
Revenue from contracts with customers			
- Sale of goods		36,388,284	36,688,059
- Rendering of services		11,859,716	15,594,690
		48,248,000	52,282,749
Revenue from other sources			
- Insurance revenue	(1)	14,019,496	15,467,100
- Rental income		905,168	722,521
- Interest income		294,368	240,042
		15,219,032	16,429,663
Others			
- Less: Government surcharges		(197,797)	(236,970)
		63,269,235	68,475,442

(1) Insurance revenue:

		2020	2019
Gross premiums written		18,111,967	19,562,945
Less: Premiums ceded to reinsurers and retrocessionaires		(3,516,591)	(2,866,761)
Net premiums written		14,595,376	16,696,184
Change in unearned premium provisions, net of reinsurance		(575,880)	(1,229,084)
Net earned premiums		14,019,496	15,467,100

3. REVENUE, OTHER INCOME AND GAINS (continued)

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

Disaggregated revenue information

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

For the six months ended 30 June 2020 (unaudited)

Segments:

	Health	Happiness	Wealth			
			Insurance	Finance	Investment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services						
Sale of goods	12,242,875	21,171,538	-	3,937	2,969,934	36,388,284
Rendering of services	3,938,868	5,633,349	131,181	923,142	1,233,176	11,859,716
	16,181,743	26,804,887	131,181	927,079	4,203,110	48,248,000
Timing of revenue recognition						
Goods transferred at a point in time	12,242,875	21,171,538	-	3,937	2,969,934	36,388,284
Services transferred over time	3,938,868	5,633,349	131,181	923,142	1,233,176	11,859,716
	16,181,743	26,804,887	131,181	927,079	4,203,110	48,248,000

3. REVENUE, OTHER INCOME AND GAINS (continued)

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

Disaggregated revenue information (continued)

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

For the six months ended 30 June 2019 (unaudited)

Segments:

	Health	Happiness	Wealth			
			Insurance	Finance	Investment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services						
Sale of goods	12,543,597	21,035,852	-	-	3,108,610	36,688,059
Rendering of services	3,741,819	9,769,300	67,159	743,147	1,273,265	15,594,690
	16,285,416	30,805,152	67,159	743,147	4,381,875	52,282,749
Timing of revenue recognition						
Goods transferred at a point in time	12,543,597	21,035,852	-	-	3,108,610	36,688,059
Services transferred over time	3,741,819	9,769,300	67,159	743,147	1,273,265	15,594,690
	16,285,416	30,805,152	67,159	743,147	4,381,875	52,282,749

3. REVENUE, OTHER INCOME AND GAINS (continued)

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

	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Other income		
Interest income	493,623	537,920
Dividends and interest from financial assets	1,687,027	1,979,553
Rental income	347,863	302,531
Government grants	350,213	259,077
Consultancy and other service income	208,971	158,962
Fee income relating to investment contracts	355,396	223,677
Others	419,111	456,992
	3,862,204	3,918,712
Gains		
Gain on disposal of subsidiaries	-	1,591,006
Gain on bargain purchase of subsidiaries	-	19,095
Gain on deemed disposal of associates	399,001	2,506,731
Gain on disposal/partial disposal of associates	205,437	663,867
Gain on bargain purchase of associates	1,341,916	-
Gain on disposal of property, plant and equipment	533	6,895
Gain on disposal of investment properties	4,171	14,952
Gain on disposal of intangible assets	61,563	70,251
Gain on disposal of financial assets	-	213,315
Gain on fair value adjustment of investment properties	1,432,618	1,249,596
Gain on fair value adjustment of financial assets at fair value through profit or loss	-	2,540,876
Gain on rent concessions as a result of COVID-19 pandemic	75,720	-
Exchange gains, net	-	223,018
	3,520,959	9,099,602
Other income and gains	7,383,163	13,018,314

4. FINANCE COSTS

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses (excluding lease liabilities)	5,154,043	5,260,493
Interest on lease liability	351,489	256,423
Less: Interest capitalised, in respect of bank and other borrowings	(777,484)	(716,157)
Interest expenses, net	4,728,048	4,800,759
Interest on discounted bills	6,246	9,811
Bank charges and other finance costs	303,662	123,609
Total finance costs	5,037,956	4,934,179

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	38,708,624	43,749,865
Depreciation of items of property, plant and equipment	1,539,120	1,358,709
Depreciation of items of right of use assets	1,228,570	823,931
Amortization of：		
Mining rights	8,313	7,014
Intangible assets	724,795	511,273
Oil and gas assets	169,317	125,221
Impairment of financial assets, net:		
- Impairment of trade and other receivables	102,696	121,092
- Impairment of debt investments at fair value through other comprehensive income	16,073	22,844
- Impairment of loans and advances to customers	16,144	25,135
- Impairment of insurance and reinsurance debtors	188,064	20,308
- Impairment of debt investments at amortised cost	6,211	15,542
- Impairment of finance lease receivables	1,499	863
Write-down of inventories to net realisable value	5,935	8,130
Write-down of properties under development to net realisable value	-	17,714
Write-down of completed properties for sale to net realisable value	13,301	-
Provision for impairment of items of property, plant and equipment	12,425	22,487
Exchange loss/(gain), net	117,133	(223,018)
Loss/(gain) on disposal of subsidiaries	56,343	(1,591,006)
Loss/(gain) on disposal of financial assets	296,285	(213,315)
Loss/(gain) on fair value adjustment of financial assets at fair value through profit or loss	2,504,045	(2,540,876)
Loss on derivative financial instruments	338,470	762,042

6. TAX

The major components of tax expenses for the six months ended 30 June 2020 and 2019 are as follows:

	Notes	For the six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Current – Portugal, Hong Kong and others	(1)	428,368	120,208
Current – Chinese Mainland			
- Income tax in Chinese Mainland for the Period	(2)	1,145,647	1,783,073
- LAT in Chinese Mainland for the Period	(3)	806,763	1,021,147
Deferred		(180,528)	(654,496)
Tax expenses for the Period		2,200,250	2,269,932

Notes:

(1) Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period.

The provision for income tax of Peak Reinsurance Company Limited ("Peak Re") incorporated in Hong Kong acquired by the Group, is based on a preferential rate of 8.25% (six months ended 30 June 2019: 8.25%).

The provision for income tax of Alma Lasers Ltd. ("Alma Lasers"), a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma"), incorporated in Israel, is based on a preferential rate of 9.48% (six months ended 30 June 2019: 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% (six months ended 30 June 2019: 31.5%).

6. TAX (continued)

Notes: (continued)

(1) (continued)

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% (six months ended 30 June 2019: 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 32.02% (six months ended 30 June 2019: 34.43%).

The provision for income tax of Hauck & Aufhäuser Privatbankiers AG and its subsidiaries incorporated in Germany acquired by the Group is based on a rate of 32.15% (six months ended 30 June 2019: 32.15%).

The provision for income tax of Gland Pharma Limited ("Gland"), incorporated in India, was based on a statutory rate of 34.94% from 1 April 2018 to 31 March 2019. Since 31 March 2019 till now, the statutory rate has decreased to 25.17%.

(2) The provision for Chinese Mainland current income tax is based on a statutory rate of 25% (six months ended 30 June 2019: 25%) of the assessable profits of the Group as determined in accordance with the Enterprise Income Tax Law of the PRC which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese Mainland, which were taxed at preferential rates of 0% to 20%.

(3) According to the tax notices issued by the relevant local tax authorities, the Group commenced to pay land appreciation tax ("LAT") at rates ranging from 0.5% to 5% on proceeds from the sale and pre-sale of properties from 2004. The Directors considered that the relevant tax authorities would unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the Period, the prepaid LAT of the Group amounted to RMB331,717,000 (six months ended 30 June 2019: RMB323,535,000).

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 RMB693,881,000 (six months ended 30 June 2019: RMB743,469,000) 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, unpaid LAT provision in the amount of RMB218,835,000 (six months ended 30 June 2019: RMB45,857,000) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

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

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,504,385,532 (six months ended 30 June 2019: 8,536,228,345) in issue during the Period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2020 in respect of a dilution as the impact of the share award scheme and the share option scheme outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of the diluted earnings per share amount for the six months ended 30 June 2019 is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the share award scheme. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,012,111	7,608,763
Less: Cash dividends distributed to share award scheme	(1,708)	(3,831)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,010,403	7,604,932
Cash dividends distributed to share award scheme	1,708	3,831
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	2,012,111*	7,608,763

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

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

	Number of shares	
	For the six months ended 30 June	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	8,504,385,532	8,536,228,345
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	5,427,603	4,853,351
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	8,509,813,135*	8,541,081,696
Basic earnings per share (RMB)	0.24	0.89
Diluted earnings per share (RMB)	0.24	0.89

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

For the six months ended 30 June 2019, the share award scheme had a dilutive effect on the basic earnings per share. The potential ordinary shares of the share option scheme are excluded from the calculation of diluted earnings per share, because the exercise price of share option scheme is higher than the average market price of the ordinary shares of the Company for the six months ended 30 June 2019.

8. TRADE AND NOTES RECEIVABLES

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade receivables	8,860,526	7,586,989
Notes receivable	142,301	107,136
	9,002,827	7,694,125

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

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	5,653,782	4,583,266
91 to 180 days	1,326,074	1,176,040
181 to 365 days	1,512,341	1,481,813
1 to 2 years	428,510	379,729
2 to 3 years	250,561	180,133
Over 3 years	190,406	186,557
	9,361,674	7,987,538
Less: Provision for impairment of trade receivables	(501,148)	(400,549)
	8,860,526	7,586,989

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

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

9. TRADE AND NOTES PAYABLES

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade payables	16,011,801	16,338,761
Notes payable	381,071	379,705
	16,392,872	16,718,466

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

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	6,213,811	7,890,570
91 to 180 days	2,449,742	1,826,778
181 to 365 days	3,860,849	2,531,034
1 to 2 years	1,770,003	2,657,181
2 to 3 years	978,751	455,079
Over 3 years	738,645	978,119
	16,011,801	16,338,761

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.

10. DIVIDENDS

	For the six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final declared – HKD0.27 per ordinary share (2019: HKD0.37)	2,078,369	2,781,877
Interim – Nil (Six months ended 30 June 2019: HKD0.13 per ordinary share)	-	977,244
	2,078,369	3,759,121

The proposed final dividend of HKD0.27 per ordinary share for the year ended 31 December 2019 was approved by the shareholders at the annual general meeting of the Company on 3 June 2020.

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2019: HKD0.13 per ordinary share)

11. EVENTS AFTER THE REPORTING PERIOD

On 2 July 2020, Fortune Star (BVI) Limited, an indirect subsidiary of the Company, issued four-year senior notes with a par value of USD600 million and at a coupon rate of 6.85% per annum.

INTERIM DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company purchased a total of 38,175,500 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD379,196,505.41 during the Reporting Period. As at the date of the announcement, all the purchased Shares have been cancelled.

Month	Total number of Shares repurchased	Purchase price paid per Share		Total purchase price paid (HKD)
		Highest (HKD)	Lowest (HKD)	
January 2020	5,570,000	11.54	10.38	60,165,229.96
February 2020	19,790,500	10.90	9.80	204,384,310.46
April 2020	7,462,500	9.73	8.14	62,318,704.99
May 2020	2,016,000	9.86	9.26	19,445,590.00
June 2020	3,336,500	10.16	9.49	32,882,670.00
Total	**38,175,500**	–	–	**379,196,505.41**

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

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 at the general meeting of the Company held on 6 June 2017 (the "**New Share Option Scheme**"). The purpose of the New Share Option Scheme is to provide incentive and/or reward to eligible persons for their contributions to, and continuing efforts to promote the interests of the Group.

The Board announced that on 1 April 2020, subject to the acceptance of relevant grantees, the Company has decided to grant 20,900,000 share options to subscribe for an aggregate of 20,900,000 Shares under the New Share Option Scheme.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 25 March 2015, unless otherwise defined, the capitalized terms used herein shall have the same meanings as set out in the circular of the Company dated 24 April 2020.

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

On 1 April 2020, the Board resolved to award an aggregate of 8,501,000 Award Shares to 83 Selected Participants under the Share Award Scheme. The Award Shares will be settled by way of (i) issue and allotment of 7,633,680 Shares (the "**New Award Shares**") pursuant to a specific mandate obtained in the annual general meeting held on 3 June 2020; and (ii) 867,320 Award Shares which lapsed before vesting. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the 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, none of the New Award Shares have been issued to the Trustee.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu. The main duties of the Audit Committee are to review and monitor the financial reporting procedures, risk management and internal control system of the Company, and to provide recommendations and advices to the Board.

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

COMPLIANCE WITH THE CG CODE

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

PUBLICATION OF INTERIM REPORT

This results announcement is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.fosun.com). The interim report will be despatched to the shareholders of the Company and published on both websites on or before 30 September 2020.

FORWARD-LOOKING STATEMENTS

This 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 for future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

GLOSSARY

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

Formula

EBITDA	=	profit for the period + tax + net interest expenditures + depreciation and amortisation
Interest coverage	=	EBITDA/net interest expenditures
Net interest expenditures	=	Interest expenses, net + interest on discounted bills
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 loans and other borrowings
Total debt to total capital ratio	=	total debt/(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
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
Feng-Lin	Shanghai F-Lin Healthcare Management LTD (上海蜂鄰健康管理有限公司)
FFG	Fosun Fashion Group (Cayman) Limited
FFT	FFT GmbH & Co. KGaA
Fidelidade	Fidelidade – Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência – Companhia de Seguros, S.A. (formerly known as Cares – Companhia de Seguros, S.A.)
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司)
Fosun Hani Securities	Fosun Hani Securities Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assistência
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥（集團）股份有限公司), a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun United Health Insurance	Fosun United Health Insurance Co., Ltd. (復星聯合健康保險股份有限公司)
FTG	Fosun Tourism Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01992
GFA	gross floor area
Gland Pharma	Gland Pharma Limited
the Group or Fosun	the Company and its subsidiaries
Guide	Guide Investimentos S.A. Corretora de Valores
H&A	Hauck & Aufhäuser Privatbankiers AG (formerly known as Hauck & Aufhäuser Privatbankiers KGaA)
Hainan Mining	Hainan Mining Co., Ltd. (海南礦業股份有限公司), a company whose 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 Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE – SGPS, SA)
Multicare	Multicare – Seguros de Saúde, 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 six months ended 30 June 2020
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 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)
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
Xingjian	Tianjin Sungin Senior Living Services Ltd (天津星健養老服務有限責任公司)
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

27 August 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 Xuetang and Mr. Gong Ping; the non-executive directors are Ms. Chen Shucui and Mr. Zhuang Yuemin; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Dr. Lee Kai-Fu.