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# FOSUN 复星

## 復星國際有限公司

### FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

## ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

### FINANCIAL SUMMARY

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

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

# LETTER TO SHAREHOLDERS

Dear shareholders,

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

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

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

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

**“Deep mining” and “developing good mines” with stable profit growth as the core objective**

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

### **Press ahead with the globalization strategy**

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

**Fosun consistently adheres to the philosophy of "being rooted in China and serving the world"**, continuously improving its globalization strategy by leveraging China's excellent supply chain system and efficiency advantages. After establishing competitiveness in China, good products of various industries can swiftly enter overseas markets through the empowerment of Fosun's global ecosystem. Shanghai Henlius' first domestically independently developed monoclonal antibody drug approved in both China and Europe, HANQUYOU (trastuzumab for injection) has been approved for marketing in more than 40 countries and regions worldwide. In June 2023, the second-generation artesunate for injection (Argesun<sup>®</sup>), independently developed by Fosun Pharma, was prequalified by the World Health Organization (WHO-PQ), becoming the first injectable artesunate presented with a single solvent system approved by WHO-PQ, further improving the accessibility of high-quality, innovative antimalarial drugs and saving more lives in Africa and globally. Shede Spirits has deepened its

aged spirits strategy, developed a multi-brand matrix, and promoted the in-depth globalization of Shede's products and brands through various operating models such as trade and duty-free. Dedicated to creating drinking experiences that cater to the preferences of overseas consumers, it has expanded into 31 overseas countries and regions.

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

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

### **Lead with technology, driven by innovation**

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

In the health sector, Intuitive Fosun has achieved the localization of da Vinci Surgical System and successfully launched commercialization. Since its launch more than two years ago, the CAR-T cell therapy product Yi Kai Da (奕凱達®) of Fosun Kite, a joint venture company of Fosun Pharma, has been used to treat hundreds of patients with relapsed or refractory large B-

cell lymphoma (r/r DLBCL). In June 2023, the second-line indication of Yi Kai Da was officially approved for marketing, bringing more treatment options and hope for Chinese lymphoma patients.

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

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

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

**In terms of creativity and innovation, Fosun actively promotes innovation in consumption scenarios, endeavoring to fully integrate cutting-edge technologies with offline scenarios.**

In addition to the spectacular offline scenes, the 29<sup>th</sup> Yuyuan Garden Lantern Festival enhanced the metaverse experience through technologies such as augmented reality (AR) and digital lighting, attracting 4 million visitors and driving approximately 50% growth in various industries and product sales during the Spring Festival. Currently, the overall planning of the Grand Yuyuan is proceeding according to the plan. Fosun is confident and well-equipped to

build a large cultural and commercial complex of over 1 million square meters, serving as a global fashion and cultural showground with the charm of “oriental lifestyle aesthetics” in the core area of Shanghai’s business district.

### **Deepen industry operations and enhance asset-light operational capabilities**

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

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

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

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

The recovery momentum of Atlantis Sanya was equally strong. Its business volume surged 90.9% year-on-year to RMB1.67 billion in 2023. Through a series of industry-led international and diversified activities such as “Night Tour Experience”, “Super Summer (超級暑假)”, and “China’s Mermaid Open Tournament”, the average occupancy rate of Atlantis Sanya

maintained at a high level and reached 81.9% in 2023. In the first two months of 2024, benefiting from the surge in demand during the New Year and the Chinese New Year holidays, Atlantis Sanya recorded a business volume of RMB0.46 billion, representing an increase of 16.5% over the same period in 2023. The average occupancy rate was 94.8%.

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

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

### **Sound financials with balanced investment and divestment**

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

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

Meanwhile, Fosun maintained smooth financing channels with domestic and overseas banks as well as the public market. In early 2023, Fosun High Technology entered into a syndicated loan agreement for an amount of RMB12 billion with eight domestic banks, led by five major state-owned banks, reflecting steadfast support for the development of private enterprises. In the

international market, Fosun successfully formed and completed a syndicated loan amounting to over USD500 million with international banks, domestic banks, Hong Kong banks, and European banks. In terms of public market financing, Fosun High Technology successfully issued RMB700 million worth of medium-term notes, serving as a rare example of a privately-owned enterprise successfully issuing pure credit bonds in the domestic market in 2023.

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

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

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

### **Remain committed to the original aspiration of “Contribution to Society” and develop business for good**

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

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



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

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

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

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

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

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

Guo Guangchang

27 March 2024

## **BUSINESS OVERVIEW**

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

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

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

BCP, an associate in Portugal, the Group's industrial operation profit<sup>1</sup> reached RMB4.90 billion during the Reporting Period, representing an increase of 20.4% as compared to 2022 under the same basis (excluding the impacts of exited operating enterprises).

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

## **OPTIMISING ASSET PORTFOLIOS AND IMPROVING CREDIT INDICATORS CONTINUOUSLY**

In terms of liquidity and liability management, the Group has been actively maintaining prudent liquidity and liability management. While actively exploring diversified financing channels, the Group maintained the efforts in asset disposal in 2022 and consolidated its liquidity safety cushion in response to uncertainties in external environment. In terms of bank financing channels, in early 2023, Fosun High Technology, a subsidiary of the Company, entered into a syndicated loan for an amount of RMB12 billion with eight domestic banks, which includes five major state-owned banks (as joint lead), and policy banks and joint-stock banks, reflecting the domestic banks' firm support to private enterprises, as well as domestic banks' recognition of the Group's efforts in asset disposal and debt deduction. Against the adverse backdrop of continuous interest hikes by the Federal Reserve System of the US, the Company successfully completed an overseas syndicated loan with an amount exceeding USD500 million with the participation of international banks, Chinese, Hong Kong and European-funded banks, showing the continuous recognition of domestic and overseas banks on the Group's credibility. As for public-market financing channels, Fosun High Technology seized the opportunity of the gradual recovery of the domestic public market and successfully issued four commercial papers with a

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

total amount of RMB3.5 billion. In October 2023, it successfully issued medium-term notes with an amount of RMB700 million, marking it one of the few successful cases of the issuance of medium-term notes by private enterprises in the domestic market in 2023. At the same time, the Group continued to deepen its asset-light operation model and flexibly shifted its strategy to exit the ownership of some of its fixed assets through a combination of disposal and securitization, including but not limited to BFC (Bund Finance Center). S&P, an international credit rating agency, has upgraded the Group's rating outlook to "stable" and affirmed ratings of BB- in recognition of the Group's asset disposal and debt reduction, further affirming the Group's improved credit profile.

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

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

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

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

First, in terms of global R&D and business development capabilities, HANSIZHUANG, an innovative drug of Shanghai Henlius, a subsidiary of Fosun Pharma, was approved by

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

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

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

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

First, in terms of global operations capabilities, despite the complicated overall macroeconomic environment in 2023, Fosun Insurance Portugal was full of resilience in operation and financial performance. On the basis of maintaining its leading position in the Portugese market with a

market share of approximately 30%, Fosun Insurance Portugal’s overall gross written premiums from its international business maintained a year-on-year increase of 10.6% and the proportion of its international business was increased to 32.7%, which was mainly attributed to the increase from business in Latin America.

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

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

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

#### 1) Global marketing activities by innovative brands

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

#### 2) Synergy of domestic marketing platforms of Fosun Pharma

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<sup>2</sup> It refers to the revenue contribution (before intercompany eliminations) directly or indirectly created by companies within the Fosun ecosystem for other companies within the ecosystem, including but not limited to cross-selling, product co-creation, membership contribution, membership sales transformation, and sales collaboration within the ecosystem, joint industrial investment, financing cooperation empowerment, industrial resource coordination, etc..

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

### 3) “Insurance +” ecosystem and industrial synergy

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

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

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

During the Reporting Period, the Health segment of the Group made achievements on various

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

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

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



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

The Happiness segment of the Group also had highlights in scientific and technological innovation results. Jewelry & Fashion Group under Yuyuan, a flagship enterprise, introduced "Guyun Gold" (古韻金) products, over 30% of which adopted 3D printing, gold hardening, gold spot drilling and other innovative processes, improving the gross profit margin of relevant products by 10% year-on-year. The innovative technology also significantly enhanced the strength of the products. The "Guyun Gold" products are popular among young consumers. During the Reporting Period, the annual sales exceeded RMB8 billion. Culture & Catering Group under Yuyuan, deeply tapped into the technology for quantitative analysis of the degree to which pre-prepared dishes are restored to their original tastes. It led the formulation of the first group standard on the pre-prepared noodle industry and participated in the preparation of two group standards on pre-prepared dishes in Shanghai. It joined hands with Jiangnan University in establishing a joint laboratory with the focus on high-quality rice and flour products and has achieved progress in preventing quick-frozen steamed buns from aging and cracking when freezing them.

Fosun Insurance Portugal, a flagship company under the Wealth segment of the Group, continued to build on its digital capabilities to drive the rapid growth of the insurance business.

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

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

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

**Building the FES system to increase management effectiveness and business efficiency.**

FES is a business system for the efficient management of enterprises. Such system has been evolving through practice and is aimed at building the core competitiveness of a long-standing enterprise and cultivating talents with Fosun's entrepreneurial values. FES can help enterprises foster a continuous improvement corporate culture, encouraging them to take up the challenge of meeting high expectations and actively expose and resolve problems in the business process.

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

As at the end of the Reporting Period, the Group completed certification and implementation of 51 FES tools, and a total of 1,116 experts were trained and certified. The certification project, which is driven by an expert-certified mechanism, aims at helping the Group create value. Meanwhile, during the Reporting Period, the Group appointed a total of 79 FES Leaders in two batches, covering 60 core enterprises of the Group, and supported the building of ancillary FES

capabilities, further promoting the penetration and consolidation of the capability of building FES systems in enterprises. In 2023, there were 1,088 improvement projects, including 576 completed projects. There were 263 best practice cases of FES, which had been promptly shared and replicated among the enterprises of the Group to speed up improvement among them.

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

**Pursuing excellence, Fosun has received worldwide recognitions for its ESG performance.**

The Group has always been adhering to the values of “Self-improvement, Teamwork, Performance and Contribution to Society” and the aspiration of “Developing Business for Good with a Customer-oriented Focus”. As a participant in the United Nations Global Compact (“**UN Global Compact**”) for ten consecutive years, the Group, with a three-decade legacy of operations, fully supports the ten principles of UN Global Compact in the areas including human rights, labor, environment and anti-corruption, relentlessly integrating such principles into Fosun's ESG strategies and actively engaging its member companies in the implementation of ESG strategies.

In 2021, the Group made a commitment to society – “strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050”. Fosun has formulated strategies for effective climate change mitigation and adaptation to align with the 1.5°C temperature control target set in the *Paris Agreement*. In order to achieve Fosun's carbon peaking and carbon neutrality goal, the Group has established a Carbon Neutrality Committee and a Carbon Neutrality Working Group to actively promote further implementation and enforcement of carbon-neutral management within the Group. In April 2023, the Group issued its first Task Force on Climate-Related Financial Disclosures (TCFD) report, demonstrating its commitment to climate actions to the international community. In 2023, the Company successfully converted a syndicated loan into a sustainability-linked loan, which is the Company's first green syndicated loan and marks Fosun's efforts to raise green financing. In terms of social welfare undertakings, the Group made active response: in February 2023, a devastating earthquake hit Turkey. Fosun Foundation joined hands with Tom Tailor, a German member company, and Fosun Trade to make a donation to Turkey, and became one of the first charitable forces in Shanghai to respond to the disaster. An emergency donation of over 2,000 items of materials in total was sent to the quake-hit areas in Turkey with a total value of RMB1 million. In addition, leveraging its innovation and global operation capability that have been developed over 30 years, the Group contributes “Chinese solutions” to global public welfare undertakings. Argesun, the second-generation artesunate for

injection independently developed by Fosun Pharma, became the first artesunate injectable presented with a single solvent system approved by the WHO prequalification for the treatment of malaria. As at the end of 2023, it has saved over 68 million severe malaria patients worldwide and 258 million children in African countries have used oral antimalarial drugs.

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

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

## **HEALTH SEGMENT**

The Health segment of the Group focuses on the ecosystem of pharmaceutical business (Fosun Pharma, Shanghai Henlius and Gland Pharma), devices and diagnosis (Sisram) and healthcare services and consumption (Fosun Health). It adheres to the "4IN" strategy (Innovation, Internationalization, Integration and Intelligentization) to continuously improve its product

competitiveness and brand value. In recent years, with the evolution of social development and population aging, development opportunities have emerged in innovative drug research and development (“R&D”), innovative medical devices and medical diagnosis, and the demand for quality medical products and services has increased significantly. The Group will continue to upgrade its innovation, integration and internationalization capabilities. Meanwhile, it will build a medical-grade, one-stop Fosun health ecosystem for all scenarios on the C-end, as well as a matrix of multi-dimensional global leading scientific R&D products on the M-end.

Fosun Pharma is a global pharmaceutical and healthcare group rooted in China that is driven by innovation. Its direct operations include pharmaceutical manufacturing, medical devices, medical diagnosis and healthcare services, and it expands its presence in pharmaceutical business through its investment in Sinopharm Group Co., Ltd.. Putting patients first and orienting itself towards clinical needs, Fosun Pharma enriches its innovative product pipeline by adopting a model of diverse and multilevel cooperation which encompasses independent R&D, product development through cooperation, introduction of products under franchise and in-depth incubation. Fosun Pharma has built and developed technology platforms for small molecule innovative drugs, antibody drugs and cell therapy for key diseases and areas such as tumor and immune modulation, metabolism and alimentary system, and central nervous system. It also actively explores cutting-edge technologies and fields such as RNA, antibody-drug conjugate (ADC), gene therapy and targeted protein degradation to enhance innovation capabilities. Under the strategic guidance of “4IN”, Fosun Pharma is striving to become a first-class enterprise in the global pharmaceutical and healthcare market. In addition, relying on the open-style R&D ecosystem, a forward-looking international business presence, a systematic commercialization team and years of domestic industry experience and global channel network, Fosun Pharma has become the preferred domestic partner of world-renowned multinational pharmaceutical companies. Fosun Pharma’s industry-leading two-way licensing capability helps maximize the value of self-developed products and partnered innovative products, and accelerate the R&D and transformation of innovative technologies and products. With accumulation of experience over the years at its operations in China, Fosun Pharma has become a trusted domestic partner of Intuitive Surgical, Kite Pharma, Amgen, Organon and various other world-leading companies to jointly promote innovative products that benefit more Chinese patients. Fosun Pharma will continue to seek more opportunities to cooperate with world-leading pharmaceutical enterprises in improving product accessibility and affordability to satisfy the unmet clinical needs of patients worldwide.

Shanghai Henlius is a global innovative biopharmaceutical company dedicated to providing affordable, high-quality biomedicines to patients worldwide, with products covering oncology, autoimmune diseases, ophthalmic diseases and other areas. Since its establishment in 2010, Shanghai Henlius has built an integrated biopharmaceutical platform with efficient and

innovative core capabilities across the entire value chain of the industry that encompasses R&D, manufacturing and commercial operations, and established comprehensive and efficient global innovation centers. Its production facility in Xuhui District, Shanghai has also received Good Manufacturing Practice (“GMP”) certification in China and the European Union. Shanghai Henlius will explore innovation drugs with clinical orientation by leveraging its own innovation and R&D strength while maximizing the commercial value of biosimilars at home and abroad, so as to consolidate the internationalized capabilities of “integrating research, production and marketing”, and achieve steady development at a larger, international and more profitable market for biopharma stage.

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

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

With the vision of becoming an “Asia’s leading and world-class medical and healthcare technology group” and the mission of “making families healthier and live better”, Fosun Health provides one-stop healthcare management services with a closed-loop solution for the whole disease process and integration of medicine and healthcare. Fosun Health provides one-stop health management services by building a medical service platform that combines

comprehensive and specialized medical services and integrates online and offline services. Currently, Fosun Health is focusing on the businesses of medical group, smart healthcare and insurance empowerment. Through the offline medical institutions across the five economic zones of the Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region, Central China and the Chengdu-Chongqing area as well as a digital platform, Fosun Health provides users with online and offline integrated and accessible diagnostic and treatment solutions and healthcare management services, such as offline diagnosis and treatment, patient management, medical checkups and tests, inquiries and purchases of medicines, and health science popularization.

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

## **HAPPINESS SEGMENT**

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

Yuyuan, with over 30 years history since its listing on the SSE, is one of the earliest witnesses, participants and contributors to China’s capital market. After the completion of a major asset reorganization in 2018, Yuyuan became the flagship platform for Fosun’s Happiness segment. Yuyuan takes the belief of “Oriental Lifestyle Aesthetics” as its priority, adheres to the strategy of developing business with the twin-driver of “Industry Operations + Industrial Investment”, and owns 19 Chinese time-honored brands, a number of other leading brands, as well as some

well-known global brands. In the context of the new pattern of domestic and international dual cycle, Yuyuan continues to accelerate its development in ecosystem, scientific and technological innovation, and globalization, launching the construction of a new landmark of Chinese culture and commerce – “Grand Yuyuan”. This actively conveys the aesthetics of oriental life and the lifestyle of beauty, and conveys Chinese culture represented by oriental lifestyle aesthetics to the world.

As an important part of “happiness consumption”, “a bottle of good liquor” is also a sign of the enrichment of the Group’s ecosystem of businesses oriented towards the needs of families worldwide. For Shede Spirits, a platform-based enterprise of the Group’s liquor and spirits businesses, is principally engaged in the design, manufacturing and sales of liquor and spirits products, with “Shede” (舍得) and “Tuopai” (沱牌) as its core brands, and cultivated brands such as “Tianzihu” (天子呼), “Tunzhihu” (吞之乎) and “Shebude” (舍不得). In recent years, Shede Spirits has pressed ahead with the “aged spirits strategy”, the “multi-brand matrix strategy”, the “younger generations marketing strategy” and the “internationalization strategy”, adhering to long-termism and altruistic customer-oriented mindset, focusing on improving brand awareness and actively increasing market share. Shede Spirits’ mission is to “enrich the family life worldwide and showcase the beauty of Chinese liquor and spirits”, and it has a vision of “becoming an innovation-driven world-class liquor and spirits enterprise with leading cultural influence and a sustainable ecosystem”.

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

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



unparalleled access to the fastest-growing luxury fashion markets in the world.

## **WEALTH SEGMENT**

The Group's Wealth segment mainly consists of underlying financial assets with insurance as its core business. On the basis of achieving synergy between the insurance business and asset allocation, it leverages the Group's profound industrial operation capabilities and global investment capabilities to build an ecosystem of its global asset management businesses, thereby contributing to the industrial advancement of the Health, Happiness and Intelligent Manufacturing segments. The Wealth segment is divided into two major business segments, namely insurance and asset management. The insurance business includes overseas and domestic insurance businesses, with major member companies including Fosun Insurance Portugal, Peak Reinsurance, Pramerica Fosun Life Insurance and Fosun United Health Insurance. The asset management business covers asset management (investment) and asset management (property). Asset management (investment) includes Fosun Capital, Fosun RZ Capital, HAL and BCP. The asset management (property) business covers comprehensive real estate projects in China, Asia Pacific, Europe and the Americas, including such asset types as residential properties, office buildings, commercial properties, hotels, infrastructure and logistics facilities, etc.

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

Peak Reinsurance is a Hong Kong-based global reinsurer established in 2012. Authorized by the Insurance Authority of Hong Kong under the *Insurance Ordinance* (Cap. 41), Peak Reinsurance conducts property & casualty and life & health reinsurance services. Since its establishment in 2012, Peak Reinsurance has been committed to providing clients around the globe with innovative and tailored reinsurance, risk management and capital management solutions.

Pramerica Fosun Life Insurance is a joint venture established by the Group and The Prudential Insurance Company of America. It was formally established in September 2012. Both shareholders hold a 50% equity interest in the joint venture. The businesses of Pramerica Fosun Life Insurance include life insurance, health insurance, accident insurance, and reinsurance business for the above-mentioned businesses in Chinese Mainland. Pramerica Fosun Life Insurance is committed to becoming a "successful and unique" life insurance company for

providing customers with high-quality life insurance services throughout the life cycle.

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

Established in 2007, Fosun Capital is an equity investment and management company wholly owned by the Group. It is a leading private equity investment institution in the industry focusing on four major areas: new materials and intelligent manufacturing, digital economy and broad consumption, carbon peaking and carbon neutrality economy, and new generation information technology. In the past 16 years since its establishment, Fosun Capital has launched and managed a number of assets, including fund of funds, private equity investment funds, industry investment funds with listed companies as investees and other types of equity investment funds.

Fosun RZ Capital is a global venture capital platform of the Group focusing on new technology, new energy and new fields in overseas markets, and it is also one of the investment institutions with the greatest industry expertise in China. With a long-term focus on high-growth, high-tech companies in major economic growth regions worldwide, Fosun RZ Capital has developed an influential ecosystem for innovation at globalized industries.

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

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

Portugal. BCP also owns a leading digital bank named “ActivoBank”.

## **INTELLIGENT MANUFACTURING SEGMENT**

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

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

Wansheng was listed on the SSE in October 2014. Since its establishment, Wansheng has been focusing on the production, R&D and sales of functional fine chemicals, and has become a world-leading producer of phosphorus-based flame retardant after years of development. Wansheng has formed a good development trend and has gradually developed the flame retardant business as its mainstay business, while developing various other businesses such as amine additives, catalyst and coating additives, family and personal care material additives. For its future development, Wansheng has classified its businesses into three segments, namely “core businesses” such as the polymer additives business which will consolidate its foundation

and allow it to grow stronger and larger; “developing businesses” such as the amines and daily chemical raw materials businesses which will gradually optimize their product portfolio, expand market shares, and strive to become leading functional daily chemical raw materials-producing enterprises in China; and “strategically important businesses” such as the electronic chemicals business, biotechnology business and new energy materials business, which will continue to promote technological innovation, step up investment in R&D, build up their business presence with foresight and seek development opportunities based on existing advantages and resources in their ecosystem of businesses. Wansheng will consolidate its resources, enhance its advantages and strive to become “the world’s leading enterprise of functional new materials” driven by a low-carbon-emission approach and innovation.

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

## **PROSPECT FOR 2024**

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

# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS REVIEW

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

## REVENUE BY SEGMENT OF THE GROUP

Unit: RMB million

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

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

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

Unit: RMB million

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

## ASSET ALLOCATION OF THE GROUP

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

Unit: RMB million

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

## Corporate Structure of Main Business<sup>1</sup> (as at 31 December 2023)

Health <sup>2</sup>			Happiness <sup>3</sup>		Wealth			Intelligent Manufacturing <sup>4</sup>	
Pharmaceutical	Devices & Diagnosis	Healthcare Services & Consumption	Brand Consumer	Tourism & Leisure	Insurance	Asset Management (Investment)	Asset Management (Property)	Resources & Environment	Technology & Intelligent Manufacturing
Fosun Pharma 600196.SH 02196.HK 36.07%	Sisram (Israel) 01696.HK	Fosun Health	Yuyuan 600655.SH 61.85%	FTG 01992.HK 78.21%	Fosun Insurance Portugal (Portugal) 84.9892%	HAL (Germany) 99.69%	28 Liberty (USA) 100%	Hainan Mining 601969.SH 45.80%	Easun Technology <sup>15</sup> 82.42%
Shanghai Henlius 02696.HK		Luz Saúde <sup>5</sup> (Portugal) 99.86%	Shede Spirits 600702.SH	Club Med (France)	Peak Reinsurance 86.71%	Guide <sup>12</sup> (Brazil) 85.61%	BFC 100%	ROC (Australia)	Wansheng 603010.SH 29.56%
Gland Pharma (India) GLAND		Shanghai Zhuli <sup>6</sup> (Fosun Care) 90.91%	Jinhui Liquor 603919.SH	Atlantis Sanya	Pramerica Fosun Life Insurance 50%	Fosun Wealth 100%	IDERA (Japan) 98%		JEVE <sup>16</sup> 49.95%
Sinopharm 01099.HK		Sanyuan Foods <sup>7</sup> 600429.SH 18.20%	Fosun Sports (Luxembourg) 92.01%	Foryou Club	Yong'an P&C Insurance 14.69%	Fosun Capital 100%	PAREF (France) PAR.PA 59.87%		
		BabyTree <sup>8</sup> 01761.HK 29.90%	Baihe Jiayuan 72.36%		Fosun United Health Insurance 20%	Shanghai Insight <sup>13</sup> (Fosun RZ Capital) 100%			
			Bohe Health <sup>9</sup> 29.85%			BCP <sup>14</sup> (Portugal) BCP.LS 25.99%			
			Lanvin Group <sup>10</sup> LANV.NYSE 58.65%			Cainiao 3.67%			
			St Hubert <sup>11</sup> (France) 98.12%						

Notes:

1. This simplified corporate structure only illustrates the key investments of the Group. The equity percentage reflects the total direct shareholdings held by the Group, associates, joint ventures and limited partnerships managed by the Group as at 31 December 2023. The companies marked in the solid line boxes are consolidated entities of the Group, and the companies marked in the dotted-line boxes are non-consolidated entities of the Group. The companies marked in the shaded boxes are channels for C-end top priority of the Group.
2. The companies marked in the light-blue boxes are invested by Fosun Pharma. For specific information, please refer to the disclosure of Fosun Pharma.
3. The companies marked in the light-yellow boxes are invested by Yuyuan. For specific information, please refer to the disclosure of Yuyuan. The companies marked in the light-orange boxes are invested by FTG. For specific information, please refer to the disclosure of FTG.
4. The company marked in the light-purple box is invested by Hainan Mining. For specific information, please refer to the disclosure of Hainan Mining.
5. Fidelidade held 99.86% equity interest in Luz Saúde. Therefore, the Group held 84.87% effective equity interest in Luz Saúde.
6. Shanghai Zhuli operates “Fosun Care” brand. The Group through its wholly-owned subsidiaries held 87.35% equity interest and through its non-wholly-owned subsidiary held 3.55% equity interest, respectively, in Shanghai Zhuli. The Group held 39.99% effective equity interest in such non-wholly-owned subsidiary. Therefore, the Group held 88.78% effective equity interest in Shanghai Zhuli.
7. The Group through its wholly-owned subsidiary held 14.46% equity interest and through a consolidated fund under its management held 3.74% equity interest, respectively, in Sanyuan Foods. The Group held 37.20% effective equity interest in such fund. Therefore, the Group held 15.85% effective equity interest in Sanyuan Foods.
8. The Company and its wholly-owned subsidiary held 29.77% equity interest in BabyTree, and Fidelidade held 0.14% equity interest in BabyTree. Therefore, the Group held 29.88% effective equity interest in BabyTree.
9. The Group through its wholly-owned subsidiary held 24.49% equity interest in Bohe Health, and through a subsidiary in which the Group held 80.81% effective equity interest, held 4.48% equity interest in Bohe Health. In addition, Yuyuan through its wholly-owned subsidiary held 0.88% equity interest in Bohe Health. Therefore, the Group held 28.65% effective equity interest in Bohe Health.
10. The Company and its wholly-owned subsidiary held 54.46% equity interest in Lanvin Group, and Yuyuan through its wholly-owned subsidiary held 4.19% equity interest in Lanvin Group. Therefore, the Group held 57.05% effective equity interest in Lanvin Group.
11. The Group through a subsidiary, in which the Group held 51% equity interest, held 98.12% equity interest in St Hubert SAS. Therefore, the Group held 50.04% effective equity interest in St Hubert SAS. As at the date of this announcement, St Hubert SAS has cancelled its treasury shares, the Group held through a subsidiary, in which the Group held 51% equity interest, held 100% equity interest in St Hubert SAS.
12. In February 2024, the Group entered into an agreement to dispose all its equity interest in Guide. As at the date of this announcement, the transaction has not been completed.
13. Shanghai Insight Investment Management Limited exclusively uses “Fosun RZ Capital” brand.
14. In January 2024, the Group entered into an agreement to sell 846,000,000 shares of BCP. As at the date of this announcement, the transaction has been completed and the Group held 20.03% equity interest in BCP.
15. The Group through its wholly-owned subsidiaries and the consolidated fund under its management held 49.77% equity interest in Easun Technology. Therefore, the Group held 44.40% effective equity interest in Easun Technology. Additionally, the non-consolidated entities in which the Group participated in the investment held 32.66% equity interest in Easun Technology.
16. The Group through its wholly-owned subsidiary and the consolidated fund under its management held 18.41% equity interest in JEVE. Therefore, the Group held 16.61% effective equity interest in JEVE. Additionally, the non-consolidated entities in which the Group participated in the investment held 31.53% equity interest in JEVE.



## HEALTH

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

Unit: RMB million

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

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

### Fosun Pharma

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

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

Excluding COVID-related products, the revenue of Fosun Pharma during the Reporting Period recorded a year-on-year increase of approximately 12.43%. In particular: (1) in respect of the pharmaceutical manufacturing segment, the revenue from key products such as HANSIZHUANG (serplulimab injection), trastuzumab injection (trade name in Chinese mainland: HANQUYOU) and Su Ke Xin (avatrombopag maleate tablets) maintained rapid growth. Upon being approved for launch in March 2022, HANSIZHUANG achieved revenue of RMB1,120 million during the Reporting Period, representing a year-on-year growth of

230.20%; trastuzumab injection achieved revenue of RMB2,749 million, representing a year-on-year growth of 58.19%<sup>6</sup>; Su Ke Xin (avatrombopag maleate tablets) achieved revenue of RMB922 million, representing a year-on-year growth of 19.67%; Otezla (apremilast tablets), Akynzeo (netupitant and palonosetron hydrochloride capsules) and other drugs were included in the National Medical Insurance Drugs Catalogue (officially executed in March 2023); (2) in respect of the medical devices segment, the market demand of non-invasive ventilators for medical and home use (including Clearway 2 and others) in Europe and America recorded recovery growth.

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

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

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

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

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

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

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

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

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

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

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

During the Reporting Period, 6 innovative drugs with a total of 8 indications and 29 generic drugs varieties of Fosun Pharma (including import drug licenses but excluding 13 generic drugs preparations approved for launch by the United States FDA of Gland Pharma) were approved for launch. 5 innovative drugs/biosimilars with a total of 7 indications<sup>7</sup> and 64 generic drugs varieties (including import drug licenses but excluding overseas applications of Gland Pharma)

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

had applied for launch. In addition, a total of 20 innovative drugs/biosimilars (indications) were approved for clinical trials (calculated by indications) during the Reporting Period.

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

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

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

In matured regulatory markets, Fosun Pharma continued to enhance its global operation capabilities. It has set up multi-point R&D centers to realize global innovation, and gradually improved the commercialization system in different regulated markets through self-establishment, cooperation and other means. In the United States market, Fosun Pharma has established a growing self-operated generic drug team, and cooperated with 5 major distributors and 16 group purchasing organizations to facilitate sales of preparations products. Fosun Pharma also established an innovative drug team in the United States, and initiated the

preparation works on the commercialization of serplulimab injection (PD-1 inhibitor). In the European market, during the Reporting Period, Gland Pharma, a subsidiary, completed the acquisition of Cenexi, a European CDMO company, so as to strategically establish its CDMO business presence in the European market and build up local manufacturing capabilities in Europe, thus further expand its customer base. During the Reporting Period, Sisram, a subsidiary, completed the acquisition of the direct sales channels in China, thus achieving a direct sales layout in the Chinese market for the medical aesthetics business. As at the end of the Reporting Period, its marketing network covered more than 100 countries and regions across the world, and the proportion of direct sales revenue further increased to 78%. The marketing network of Breas Medical Holdings AB, a subsidiary, covers Europe, the United States, China, Japan, India and Australia, and has continued to deepen local manufacturing based on the market demand in China. The construction of Intuitive Fosun Medical Robot Manufacturing and R&D Center in Shanghai of Intuitive Fosun, an associate, has been progressing rapidly. Upon completion of the construction, the center will be the second global R&D and manufacturing base of Da Vinci Surgical Robot in addition to the base in Silicon Valley, the United States, thus facilitating the domestic manufacturing of Da Vinci Surgical Robot in Chinese mainland.

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

### **Shanghai Henlius**

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

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

Shanghai Henlius has strong global product commercialization capabilities. In order to achieve continuous growth in sales scale of products, Shanghai Henlius has an experienced commercialization team covering five major segments, namely market promotion, channel management, pricing and market access, domestic sales and strategic planning. As at the end of

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

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

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

### **Gland Pharma**

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

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

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

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

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

For future growth, Gland Pharma will continue to invest in R&D and production capabilities, strengthen vertical integration, and expand Active Pharmaceutical Ingredients ("API") production capacity to reduce dependence on APIs purchased externally. Meanwhile, Gland Pharma will accelerate its growth through mergers and acquisitions, focusing on complex technology and product platforms (e.g., long-acting/suspension products) and complex API raw material production technologies (e.g., fermentation technology). As 31 December 2023, Gland Pharma and its partners filed 346 Abbreviated New Drug Applications ("ANDAs") in the United States, 279 of which were approved and 67 pending approval. Gland Pharma has 1,659 product registrations worldwide.

### **Sisram**

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



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

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

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

and low molecular weight hyaluronic acid (L-HA). It uses NAHYCO® patented mixing technology to bring a better anti-aging experience to beauty seekers and patients.

Personal care brand: LMNT (medical-grade home beauty device) launched the 2nd generation product LMNT O<sub>2</sub>.

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

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

### **Fosun Health**

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

deepened refined operations, and promoted various cost reduction and efficiency improvement measures. The overall profitability of its major hospitals was stable and improving. The losses of the growth-stage hospitals and the investment-stage business segments were significantly narrowed. During the Reporting Period, the loss in segment was RMB0.4 billion, a year-on-year decrease in loss of RMB0.4 billion.

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

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

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

Looking forward to 2024 and beyond, leveraging its existing advantageous medical resources and digital platform, Fosun Health will continue to deepen its business deployment in the fields of medical group, intelligent healthcare and insurance empowerment, focus on advantageous areas such as the Greater Bay Area, facilitate the integration of online and offline services,

improve its specialized capabilities and life-cycle management system based on the course of disease, and accelerate the development of the one-stop health management services that integrate medicine and healthcare, aiming to realize its vision of becoming an “Asia’s leading and world-class medical and healthcare technology group”.

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

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

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

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

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

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

## HAPPINESS

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

Unit: RMB million

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

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

### Yuyuan

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

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

During the Reporting Period, Yuyuan’s revenue for the year amounted to RMB58.147 billion,

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

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

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

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

- Yuyuan's jewelry and fashion business achieved revenue of RMB36.727 billion, representing a year-on-year increase of 11.05%. The jewelry and fashion network expanded significantly, with a net increase of 424 stores to 5,016 stores. At the same time, the product structure was further optimized. The sales of "Guyun Gold" (古韻金), the high-margin series products with ancient craftsmanship, around RMB8.9 billion, representing a year-on-year increase of 71%.
- Yuyuan Tourist Mart hosted over 1,300 cultural and commercial activities in 2023 that attracted almost 40 million visitors. The Yuyuan Lantern Festival, a national intangible cultural heritage, was held cross-border for the first time and was successfully launched in France. It was listed as the opening event to celebrate the 60th anniversary of the establishment of diplomatic ties between China and France and the China-France Year of Culture and Tourism.

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

### **Shede Spirits**

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

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

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

Shede Spirits sales volume maintained stable growth in major liquor and spirits products including Taste of Shede Spirits (品味舍得), Way of Shede Spirits (舍之道), Tuopai T68 premium liquor (沱牌特級T68) and other products.

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

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

### **FTG**

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

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

Club Med, headquartered in France and founded in 1950, is the world leader in high-end, experience-oriented all-inclusive vacations for families and couples alike. As at the end of the Reporting Period, Club Med has sales and marketing operations in more than 40 countries and regions across six continents, and operates 68 resorts. In 2023, Club Med has successfully



launched Urban Oasis Nanjing Xianlin and Taicang, a unique product created specifically for Chinese urban family holiday, and unveiled two new premium resorts, Kiroro Grand in Japan and La Rosière Exclusive Collection in France.

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

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

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

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

In November 2019, FTG acquired the trademarks of Thomas Cook brand, a centennial travel brand, as well as its right, title and interest across most international markets upon its liquidation. In 2023, FTG repositioned the former “Thomas Cook Lifestyle Platform” to “Foryou Club”. Foryou Club is committed to providing high-quality domestic and international holiday products and services to its members and their families around the world by creating a

scenic platform for high-quality holiday services. As at the end of the Reporting Period, the platform had over 6,529,000 members, and, in 2023, the number of paid users reached 114,000. Foryou Club recorded a business volume of RMB354.7 million in 2023, representing an increase of 9.0% as compared to that of 2022. Additionally, Thomas Cook's UK business, as well as its operations in Europe, have continued to invest in their digital platform with a greater focus on higher-margin hotels and long-haul holidays.

### **Lanvin Group**

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

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

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

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

The brands of Lanvin Group have undergone successful transformations over the past few years, which has also enabled Lanvin Group to gradually establish a leading position. Lanvin Group is dedicated to continuous model innovation, increasing digital capabilities, omni-channel activation, new market development, localized marketing, and the utilization of the its advantages and high-quality resources in the Asia Pacific market. Lanvin Group is committed

to helping brands optimize product structure and explore new categories with great growth potential, such as leather goods and accessories.

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

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

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

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

During the year, Lanvin Group continued to optimize its retail store network, resulting in an overall net decrease of 12 stores. Meanwhile, while the total number of stores decreased, the

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

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

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

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

**WEALTH**

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

**INSURANCE**

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

Unit: RMB million

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

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

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

### **Fosun Insurance Portugal**

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

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

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

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

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

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

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

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

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

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

## Peak Reinsurance

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

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

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

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

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

Life and health insurance (“**L&H**”) is a key diversification area for Peak Reinsurance’s future growth. In 2023, GWP general from L&H reinsurance business increased to USD438 million

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

from USD270 million a year ago.<sup>10</sup> Peak Reinsurance continued to strengthen its business franchise and invest in L&H capacity.

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

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

### **Pramerica Fosun Life Insurance**

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

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

In 2023, social and economic operations had a recovery trend. Pramerica Fosun Life Insurance seized the market opportunities, accelerated the pace of business operations, promoted the construction of diversified pipelines, actively promoted the optimization of business structure, and focused on long-term value growth. In terms of channel strategy, Pramerica Fosun Life Insurance coordinated and promoted the professional, ecosystem and digital development of professional brokerage, bank and postal agents and agent channels. During the Reporting Period, the per capita new order premium of the agent team was RMB55,000/month, a year-on-year increase of 48%, and the production capacity index ranked among the top in the industry. In terms of products services, driven by the needs of family customers, Pramerica Fosun Life Insurance continued to improve product systemization, service-oriented, family-oriented and

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<sup>10</sup> L&H gross written premiums include short-term health business.

<sup>11</sup> The solvency ratio of Peak Reinsurance is based on the Hong Kong Insurance Ordinance, as at 31 December 2023.



brand construction, and enhance the brand reputation of “Knowing what you need, customizing according to your needs (懂你所需、應需定制)”. In terms of technological construction, Pramerica Fosun Life Insurance built four major platforms: data-based user journey, business capabilities, management capabilities, and infrastructure capabilities to achieve technological empowerment for business development. In terms of ecosystem empowerment, Pramerica Fosun Life Insurance cultivated own differentiated competitive barriers through “insurance + ecosystem”. During the Reporting Period, Pramerica Fosun Life Insurance completed a total of 6,006 policies for senior community, a year-on-year increase of 271%.

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

### **Fosun United Health Insurance**

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

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

Fosun United Health Insurance always focuses on the track of health insurance, and has developed special health protection products catering to the healthcare needs of Chinese families and corporate customers. Since its establishment, Fosun United Health Insurance has provided more than 180 special insurance products and health management services to Chinese

families and corporate customers, including more than 20 products with new sales volume of more than RMB10 million through 2023.

Looking forward in 2024 and beyond, Fosun United Health Insurance regards “protecting the healthy life of hundreds of millions of Chinese families” as its mission, Fosun United Health Insurance will develop a membership operation system centering on family customers, treat medical, senior care, rehabilitation, and maternal and child businesses as top priority, thereby establishing a comparative advantage in the segmented market competition, so as to create greater value for shareholders and customers.

## ASSET MANAGEMENT

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

Unit: RMB million

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

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

### *Fosun Capital*

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

Since its establishment, Fosun Capital had invested in over 100 companies, and successfully exited from investments in more than 50 companies through domestic or overseas listings, equity transfer and other ways. As at the end of the Reporting Period, Fosun Capital had a total of 24 funds under management accumulatively, with an asset size under management of over RMB20 billion. During the Reporting Period, among the enterprises invested by Fosun Capital, 14 of Fosun Capital’s investment companies submitted for IPO, one of which was successfully

listed, three of which obtained the issuance approval from relevant stock exchanges, and four of which were approved by the listing review committee of the relevant stock exchanges.

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

Looking forward, relying on its excellent investment capabilities, high-quality post-investment services and the Group’s strong global industry integration capabilities, Fosun Capital will be able to empower its portfolio companies in terms of business resources and industrial depth and help the companies realize long-term value creation and sustainable development.

#### **Fosun RZ Capital (Shanghai Insight Investment Management Limited)**

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

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

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

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

#### **Hauck Aufhäuser Lampe Privatbank AG (HAL)**

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

HAL aims to rank among the top 3 private banks in Germany with a focus on managing, maintaining, serving and trading client assets. The bank follows a clear growth strategy with a

diversified and capital-light business model covering four core business areas, i.e. Asset Servicing, Private & Corporate Banking, Investment Banking and Asset Management.

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

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

Furthermore, HAL is proactively responding to ESG developments and continuously optimizing its corporate governance to fully meet regulatory requirements. A dedicated group-wide ESG department and ESG Committee ensure consistency with the ESG strategy across all business lines, focusing on current market developments, regulatory requirements and organizational structure. HAL's extensive activities to put the ESG strategy into practice have also received external attention and an award for "outstanding sustainable engagement".

## **BCP**

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

During the Reporting Period, the consolidated core operating profit (net interest income plus net fees and commission income less operating costs, excluding the impact of one-off factors) of BCP amounted to EUR2,434.8 million, 31.7% higher than EUR1,848.7 million of the same period of last year, the results performance of which was remarkable. In particular, the core operating profit in Portugal reached EUR1,410.3 million, which increased by 55.0% as compared to EUR909.9 million of the same period of last year. The core operating profit in

Poland reached EUR909.4 million, which increased by 12.1% as compared to EUR811.1 million of the same period of last year. The growth in core operating profit was driven by a significant widening of the net interest margin between the Eurozone and Poland due to several rate hikes by the European Central Bank (ECB) and the Polish base rates at its highest level since 2013. BCP's net profit attributable to shareholders reached EUR856.0 million, which significantly increased by 333.7% as compared with the same period of last year despite higher day-to-day operating expenses resulting from the inflation in Portugal and Poland, and the relevant expense regarding Swiss Franc loan risk increased to EUR779.7 million as compared to the same period of last year.

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

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

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

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

### **The Bund Finance Center (“BFC”)**

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

Located at 600 Zhongshan No. 2 Road (E), Shanghai, China, BFC is a benchmark project of the Group’s “Hive City”, and also a landmark of a large-scale all-in-one ecosystem commercial complex in the core area of the Bund in Shanghai. The project embraced its opening on 12 December 2019. The gross floor area (“GFA”) of BFC is over 420,000 square meters. BFC’s main businesses include (i) office rental business which offers a super-grade-A office building with an occupancy rate of 90% as at the end of the Reporting Period; (ii) retail business that houses over 200 stores and brands, of which approximately 30 stores are the first of its kind; (iii) catering business that offers an array of high-quality international restaurants and over 4 restaurants that won Michelin stars, including the legendary Italian restaurant “DA VITTORIO SHANGHAI”, which has won two Michelin stars consecutively; (iv) health business with a fitness club, BFC FITNESS, and a high-end medical clinic Zallhui (卓爾薈); (v) art gallery conducted through Fosun Foundation Art Center (Shanghai).

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

Looking forward, BFC will deepen its implementation of FC2M strategy and introduce Fosun’s excellent industry resources to meet the clients’ needs, providing caring services to families to meet their desires for a better life, and securing its building of the “Happiness Ecosystem”. At the same time, leveraging its close proximity to Yuyuan Tourist Mart, BFC will strive to achieve

two-way empowerment with Yuyuan Tourist Mart in the future, aiming to become a “Grand Yuyuan” that integrates culture, art, tourism, consumption, finance, commerce and natural scenery with full upgrade of its overall regional image and industrial ecosystem to become the most representative new landmark in Shanghai.

## INTELLIGENT MANUFACTURING

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

Unit: RMB million

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

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

### **Hainan Mining**

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

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

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

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

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



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

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

Looking forward to 2024, centering on the national “14th Five-Year Plan” strategic development plan, Hainan Mining promotes the implementation of strategic goals with the dual drive of industrial operations and industrial investment. In terms of industrial operations, Hainan Mining Shilu branch will strive to achieve the production and operation goal of 2.75 million tonnes of finished ore production and ROC will strive to achieve the goal of 7.15 million barrels of oil and gas equity production, accelerate the construction of key engineering projects such as magnetization roasting, lithium hydroxide, and Mali lithium mine, and realize the production of various projects on schedule. At the same time, Hainan Mining will continue to promote cost reduction and efficiency improvement through lean management, technological innovation, digital construction and other methods to strengthen cost competitiveness. On the

other hand, Hainan Mining will continue to leverage the advantages of the Group in global industrial investment, actively respond to the joint construction of the “Belt and Road” initiative, focus on investment and mergers and acquisitions in the resources and energy fields, and focus on upstream new energy resources, high-quality non-ferrous metal resources and natural gas projects, create a global resource industry ecosystem.

### **Wansheng**

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

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

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

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

In terms of investment, during the Reporting Period, Wansheng, local government and the Group, etc. jointly established Linhai Fosun Wansheng New Materials Equity Investment Fund Partnership (Limited Partnership), centring on the direction of Wansheng industrial chain and focusing on enterprises with high-quality standards for new chemical materials in the fields of

functional new materials, new energy and low carbon, electronic data and semiconductors, biosynthesis and other fields which will help Wansheng develop rapidly through diversified investment methods such as industrial investment (incubation, equity participation) and financial investment and promote the transformation and upgrade of related industries. In addition, during the Reporting Period, Wansheng sold its Fujian subsidiary to slim down the business, further focused on its main business, and optimized its assets and business structure.

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

### **Easun Technology**

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

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

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

will also accelerate the development of industrial digitization business and provide customers with complete smart factory solutions.

## **FINANCIAL REVIEW**

### **Net Interest Expenditures**

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

### **Tax**

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

### **Indebtedness and Liquidity of the Group**

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

### **Total Debt to Total Capital Ratio**

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

### **Available Facilities**

As at 31 December 2023, save for cash and bank and term deposits of RMB92,459.6 million, the Group had unutilized banking facilities of RMB146,451.2 million. The Group has signed

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

### **Interest Coverage**

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

**FOSUN INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**Year ended 31 December 2023**

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

**FOSUN INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 December 2023**

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

**FOSUN INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**  
**Year ended 31 December 2023**

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



**FOSUN INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 December 2023**

	<u>Note</u>	<u>31 Dec 2023</u> RMB'000	<u>31 Dec 2022</u> RMB'000 (Restated)
<b>ASSETS</b>			
Cash and bank balances		92,459,644	100,564,000
Reverse repurchase agreements		6,844,927	-
Loans and advances to customers		16,097,595	16,162,944
Trade and notes receivables	9	14,414,166	13,200,451
Inventories		26,233,846	25,649,708
Completed properties for sale		16,598,108	15,028,738
Properties under development		46,776,244	62,079,128
Contract assets and other assets		229,266	610,268
Due from related companies		18,015,068	12,929,293
Prepayments, other receivables and other assets		31,953,684	35,442,321
Assets classified as held for sale		2,906,203	19,817,066
Placements with and loans to banks and other financial institutions		473,054	55,010
Derivative financial instruments		3,615,676	3,537,338
Financial assets at fair value through profit or loss		52,941,186	59,964,219
Finance lease receivables		699,545	789,562
Reinsurance contract assets		9,117,577	8,841,570
Insurance contract assets		1,803,797	1,775,046
Debt investments at fair value through other comprehensive income		72,473,645	63,534,884
Debt investments at amortised cost		29,400,296	25,171,823
Policyholder account assets in respect of unit-linked contracts		29,442,770	23,276,840
Equity investments designated at fair value through other comprehensive income		2,696,542	2,763,627
Property, plant and equipment		55,226,701	45,668,203
Investment properties		93,340,801	95,743,357
Right-of-use assets		23,852,435	21,297,657
Exploration and evaluation assets		542,140	584,684
Mining rights		1,311,399	480,763
Oil and gas assets		1,974,760	1,890,258
Intangible assets		36,790,363	34,278,110
Investments in joint ventures		12,584,076	9,903,075
Investments in associates		68,254,580	68,653,959
Goodwill		29,547,898	27,413,654
Deferred tax assets		9,769,597	9,268,677
<b>Total assets</b>		<b><u>808,387,589</u></b>	<b><u>806,376,233</u></b>

**FOSUN INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**31 December 2023**

	<u>Note</u>	<u>31 Dec 2023</u> RMB'000	<u>31 Dec 2022</u> RMB'000 (Restated)
<b>LIABILITIES</b>			
Deposits from customers		82,216,087	76,935,942
Assets sold under agreements to repurchase		188,063	151,868
Accounts payable to brokerage clients		990,853	3,828
Placements from banks and other financial institutions		-	149,062
Financial liabilities at fair value through profit or loss		6,697,408	4,306,876
Liabilities directly associated with the assets classified as held for sale		79,178	117,467
Trade and notes payables	10	26,407,670	24,393,592
Contract liabilities		19,865,129	24,332,437
Tax payable		13,148,210	12,078,193
Due to banks and other financial institutions		1,103,458	1,141,108
Derivative financial instruments		4,039,509	3,148,743
Accrued liabilities and other payables		74,582,013	77,262,805
Due to related companies		2,199,034	5,104,219
Interest-bearing bank and other borrowings		211,923,910	226,919,151
Reinsurance contract liabilities		3,103,216	3,517,286
Insurance contract liabilities		62,811,295	59,205,512
Investment contract liabilities		37,583,333	40,765,932
Financial liabilities for unit-linked contracts		29,442,770	23,276,840
Due to the holding company		244,358	122,606
Deferred income		1,243,012	1,231,069
Deferred tax liabilities		21,944,245	23,136,678
<b>Total liabilities</b>		<b><u>599,812,751</u></b>	<b><u>607,301,214</u></b>
<b>NET ASSETS</b>		<b><u>208,574,838</u></b>	<b><u>199,075,019</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		37,286,880	37,146,381
Treasury shares		(326,634)	(353,338)
Other reserves		87,976,542	83,940,679
		<u>124,936,788</u>	<u>120,733,722</u>
<b>Non-controlling interests</b>		<u>83,638,050</u>	<u>78,341,297</u>
<b>Total equity</b>		<b><u>208,574,838</u></b>	<b><u>199,075,019</u></b>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES**

**1.1 BASIS OF PRESENTATION**

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

The financial information relating to the years ended 31 December 2023 and 2022 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2023 in due course.

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

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.1 BASIS OF PREPARATION (continued)**

Basis of consolidation

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investees;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill) , liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements and the Group has changed in presentation of all assets and liabilities to being in order of liquidity.

Adoption of the revised HKFRSs

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

**(a) HKFRS 17 - Insurance Contracts**

HKFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. HKFRS 17 replaces HKFRS 4 Insurance Contracts. The standard applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply. The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. HKFRS 17 is the general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach); and
- a simplified approach (the premium allocation approach) mainly for short-duration contracts.

HKFRS 17 replaces HKFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

The Group has restated comparative information for 2022 applying the transitional provisions in Appendix C to HKFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

**(a) HKFRS 17 - Insurance Contracts (Continued)**

*Changes to classification, measurement*

HKFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of HKFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups it will recognise and measure;
- Unless the premium allocation approach is used for liability for remaining coverage, recognises and measures groups of insurance contracts at:
  - i) A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
  - ii) An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);
- The premium allocation approach is used to recognise and measure the liabilities for remaining coverage mainly for groups of short duration contracts.
- Recognises profit from a group of insurance contracts issued over each period the Group provides insurance contract services. If a group of contracts issued is expected to be onerous (i.e., loss-making), the Group recognises the loss immediately.

*Changes to presentation and disclosure*

For presentation in the statement of financial position, the Group aggregates by each portfolio of insurance contracts issued (including reinsurance contracts issued) and reinsurance contracts held and presents separately:

- Portfolios of insurance contracts issued (including reinsurance contracts issued) that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts issued (including reinsurance contracts issued) issued that are liabilities;
- Portfolios of reinsurance contracts held that are liabilities.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

**(a) HKFRS 17 - Insurance Contracts (Continued)**

*Changes to presentation and disclosure (Continued)*

The portfolios referred to above are those established at initial recognition in accordance with the HKFRS 17 requirements.

Besides, HKFRS 17 requires separate presentation in the statement of profit or loss and other comprehensive income of the following line items:

- Insurance revenue;
- Insurance service expense;
- Net service expense from reinsurance contracts held;
- Financial expenses from insurance contracts issued;
- Financial income from reinsurance contracts held.

The Group provides qualitative and quantitative information in the notes to the financial statements about:

- Amounts recognised in its financial statements from insurance contracts;
- Significant judgements, and changes in those judgements, when applying the standard.

*Transition*

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if HKFRS 17 had always applied (unless impracticable);
- Derecognised any existing balances that would not exist had HKFRS 17 always applied;
- Recognised any resulting net difference in equity.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

**(a) HKFRS 17 - Insurance Contracts (Continued)**

*Transition (Continued)*

The Group applied the full retrospective method in situations where it is possible to recover all the necessary historical information. For the other contracts, considering the impracticality of recovering historical information, the fair value was applied.

As a result of the adoption of HKFRS 17, the Group ceased to apply the overlay approach for designated eligible financial assets in accordance with Amendments to HKFRS 4.

At the date of initial application of HKFRS 17 (i.e. 1 January 2023), the Group designated some of its equity investments as equity investments designated at fair value through other comprehensive income when they are investments in equity instruments as defined by HKAS 32 Financial Instruments: Presentation and are not held for trading. According to the transitional provisions, the Group applied such changes retrospectively and restated the comparative information for the effect of such changes.

The opening balances as at 1 January 2022, comparative financial position as at 31 December 2022 and comparative information for the year ended 31 December 2022 have been restated for the effects of the retrospective application of HKFRS 17 in the consolidated financial statements.

Impact on the consolidated statement of financial position:

	Decrease	
	As at 31 December 2022	As at 1 January 2022
	%	%
Total equity	0.3	1.7



**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

**(b) Amendments to HKAS 1 and HKFRS Practice Statement 2 - *Disclosure of Accounting Policies***

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

**(c) Amendments to HKAS 8 - *Definition of Accounting Estimates***

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

**(d) Amendments to HKAS 12 - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in the financial statements. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

- (e) **Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules**  
Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments and the mandatory temporary exception retrospectively. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation will be effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the new tax legislation. However, the legislations in certain jurisdictions were enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential impact to Pillar Two income taxes.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)**

**1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

Change in presentation following adoption of HKFRS 17

With the implementation of HKFRS 17, the important insurance subsidiaries of the Group (eg., Fidelidade – Companhia de Seguros, S.A. and Peak Reinsurance Holdings Limited), after analysing the industrial practices and their own business patterns, find it more reliable, relevant and comparable to present all assets and liabilities in order of liquidity under the HKFRS 17 reporting frameworks. Considering the consistency of financial reporting between the subsidiaries and the Group, and importance of the insurance business to the whole group, the Group changed the presentation of all assets and liabilities to being in order of liquidity for the first time for the current year’s financial statements, together with the implementation of HKFRS 17.

HKAS 1 Presentation of Financial Statements illustrates that an entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement financial position except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity. For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.

The comparative consolidated statements of financial position as at 31 December 2022 have been restated for the effects of the retrospective application of the change in the presentation of all assets and liabilities to being in order of liquidity in the consolidated financial statements. The Group also discloses (in Note 11) more information about liquidity for each asset and liability line item.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**2. OPERATING SEGMENT INFORMATION**

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

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

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

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

Segment performance is evaluated based on reportable operating segment profit or loss, which is measured consistently with the Group's profit or loss after tax. The head office and corporate expenses are allocated to each reportable segments based on their respective utilization of internal resources. Certain interest bearing bank and other borrowings which are managed on the group basis are allocated to each reportable segments based on their respective utilization of the financing.

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

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**2. OPERATING SEGMENT INFORMATION (continued)**

**Year ended 31 December 2023**

	Health	Happiness	Wealth	Intelligent Manufacturing			
			Insurance	Asset Management		Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue:</b>							
Sales to external customers	45,283,446	88,717,140	37,453,611	13,990,518	12,755,595	-	198,200,310
Inter-segment sales	1,030,940	229,268	2	335,390	7	(1,595,607)	-
Total revenue	<u>46,314,386</u>	<u>88,946,408</u>	<u>37,453,613</u>	<u>14,325,908</u>	<u>12,755,602</u>	<u>(1,595,607)</u>	<u>198,200,310</u>
<b>Segment results</b>							
Profit before tax	3,075,241	1,242,706	2,017,679	123,873	1,575,325	(163,117)	7,871,707
Tax	(400,251)	(1,045,402)	(344,163)	(475,545)	(259,220)	-	(2,524,581)
Profit/(loss) for the year	<u>2,674,990</u>	<u>197,304</u>	<u>1,673,516</u>	<u>(351,672)</u>	<u>1,316,105</u>	<u>(163,117)</u>	<u>5,347,126</u>
Segment and total assets	<u>126,769,676</u>	<u>196,770,992</u>	<u>186,423,719</u>	<u>267,558,352</u>	<u>39,712,256</u>	<u>(8,847,406)</u>	<u>808,387,589</u>
Segment and total liabilities	<u>63,099,770</u>	<u>142,680,236</u>	<u>169,893,918</u>	<u>210,060,098</u>	<u>19,886,009</u>	<u>(5,807,280)</u>	<u>599,812,751</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**2. OPERATING SEGMENT INFORMATION (continued)**

**Year ended 31 December 2023 (continued)**

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations	Total
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	RMB'000	RMB'000
<b>Other segment information:</b>							
Interest and dividend income	469,866	240,017	4,274,936	644,705	90,722	(264,488)	5,455,758
Other income and gains (excluding interest and dividend income)	1,187,556	4,528,419	2,648,072	843,138	1,645,275	(11,017)	10,841,443
Impairment losses recognised in the statement of profit or loss, net	(351,670)	(654,204)	(301,475)	(1,628,049)	(83,941)	-	(3,019,339)
Finance costs	(1,614,437)	(3,805,945)	(1,629,219)	(5,215,739)	(314,383)	186,161	(12,393,562)
Share of profits and losses of							
- Joint ventures	(202,030)	441,934	6,716	2,625,145	(2,015)	-	2,869,750
- Associates	2,462,757	197,431	17,401	4,370,834	(234,065)	(125,772)	6,688,586
Depreciation and amortisation	(3,202,839)	(4,812,238)	(716,029)	(812,988)	(1,012,975)	-	(10,557,069)
Research and development costs	(4,351,157)	(167,957)	(6,290)	(21,184)	(342,798)	6,486	(4,882,900)
Fair value (loss)/gain on fair value adjustments of investment properties	-	(8,524)	(305,356)	1,427,764	-	-	1,113,884
Fair value (loss)/gain on financial assets at fair value through profit or loss	(203,419)	332,510	559,675	1,286,487	80,379	12,571	2,068,203
Investments in joint ventures	98,910	7,807,473	1,083,583	4,010,328	6	(416,224)	12,584,076
Investments in associates	26,183,380	6,767,218	1,729,846	33,908,628	2,079,758	(2,414,250)	68,254,580
Capital expenditure*	5,729,258	4,643,632	1,330,305	524,157	1,516,453	-	13,743,805

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**2. OPERATING SEGMENT INFORMATION (continued)**

**Year ended 31 December 2022 (Restated)**

	Health	Happiness	Wealth	Intelligent Manufacturing			
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	Eliminations RMB'000	Total RMB'000
<b>Segment revenue:</b>							
Sales to external customers	47,209,068	70,455,461	39,459,418	14,946,190	10,355,636	-	182,425,773
Inter-segment sales	792,197	284,068	698	348,477	-	(1,425,440)	-
Total revenue	<u>48,001,265</u>	<u>70,739,529</u>	<u>39,460,116</u>	<u>15,294,667</u>	<u>10,355,636</u>	<u>(1,425,440)</u>	<u>182,425,773</u>
<b>Segment results</b>							
Profit before tax	4,948,437	5,237,348	(2,267,248)	1,399,638	1,462,948	(89,743)	10,691,380
Tax	(672,447)	(2,571,991)	(498,961)	(3,901,061)	(50,358)	-	(7,694,818)
Profit/(loss) for the year	<u>4,275,990</u>	<u>2,665,357</u>	<u>(2,766,209)</u>	<u>(2,501,423)</u>	<u>1,412,590</u>	<u>(89,743)</u>	<u>2,996,562</u>
Segment and total assets	<u>120,454,202</u>	<u>200,117,980</u>	<u>179,551,315</u>	<u>269,113,047</u>	<u>47,424,454</u>	<u>(10,284,765)</u>	<u>806,376,233</u>
Segment and total liabilities	<u>59,223,893</u>	<u>147,602,416</u>	<u>164,952,083</u>	<u>225,380,343</u>	<u>17,299,410</u>	<u>(7,156,931)</u>	<u>607,301,214</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**2. OPERATING SEGMENT INFORMATION (continued)**

**Year ended 31 December 2022 (Restated) (continued)**

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations	Total
	RMB'000	RMB'000	Insurance RMB'000	Asset Management RMB'000	RMB'000	RMB'000	RMB'000
<b>Other segment information:</b>							
Interest and dividend income	347,074	248,996	3,507,980	905,151	61,744	(164,884)	4,906,061
Other income and gains (excluding interest and dividend income)	1,098,443	6,733,348	1,159,969	7,835,098	95,462	(22,073)	16,900,247
Impairment losses recognised in the statement of profit or loss, net	(343,852)	(80,844)	(36,923)	(2,766,240)	(459,408)	-	(3,687,267)
Finance costs	(1,175,476)	(2,985,439)	(1,676,972)	(4,936,469)	(270,545)	158,219	(10,886,682)
Share of profits and losses of							
- Joint ventures	(233,925)	656,997	(288,825)	47,605	798,094	(13,656)	966,290
- Associates	2,026,082	(757,487)	193,476	2,603,506	388,392	(55,470)	4,398,499
Depreciation and amortisation	(2,545,503)	(4,082,175)	(674,917)	(713,475)	(990,885)	-	(9,006,955)
Research and development costs	(4,305,647)	(234,710)	(6,567)	(37,081)	(327,664)	-	(4,911,669)
Fair value (loss)/gain on fair value adjustments of investment properties	-	(3,891)	347,710	8,499,539	-	-	8,843,358
Fair value (loss)/gain on financial assets at fair value through profit or loss	(319,035)	432,255	(2,533,721)	619,656	32,581	726	(1,767,538)
Investments in joint ventures	250,606	6,287,576	1,099,385	2,707,710	-	(442,202)	9,903,075
Investments in associates	25,260,181	6,950,696	1,926,563	34,859,852	2,011,399	(2,354,732)	68,653,959
Capital expenditure*	5,819,005	3,536,590	1,835,362	1,160,282	1,466,418	-	13,817,657



**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**2. OPERATING SEGMENT INFORMATION (continued)**

- \* Capital expenditure consists of additions to property, plant and equipment, exploration and evaluation assets, mining rights, intangible assets, investment properties and oil and gas assets.

Geographical information

(a) REVENUE FROM EXTERNAL CUSTOMERS

	2023 RMB'000	2022 RMB'000 (Restated)
Chinese Mainland	108,998,994	98,263,205
Portugal	20,587,915	17,816,250
Other countries and regions	<u>68,613,401</u>	<u>66,346,318</u>
Total	<u>198,200,310</u>	<u>182,425,773</u>

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

(b) Assets expected to be recovered more than 12 months

	2023 RMB'000	2022 RMB'000
Chinese Mainland	206,718,478	200,882,005
Portugal	23,750,359	24,191,381
Other countries and regions	<u>102,028,563</u>	<u>93,573,105</u>
Total	<u>332,497,400</u>	<u>318,646,491</u>

The information of the assets that are expected to be recovered more than 12 months after the reporting period as disclosed above is based on the locations of the assets and excludes financial instruments, deferred tax assets, insurance contract assets and reinsurance contract assets.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2023 and 31 December 2022.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**3. REVENUE, OTHER INCOME AND GAINS**

Revenue represents the net invoiced value of goods or properties sold after allowances for returns, trade discounts and various types of government surcharges, where applicable during the year. In addition, it includes the the value of services rendered , insurance revenue from the insurance business, rental income from investment properties and interest income during the year.

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

	notes	2023 RMB'000	2022 RMB'000 (Restated)
<b>Revenue</b>			
Revenue from contracts with customers			
- Sale of goods	(1)	115,811,611	107,463,860
- Rendering of services	(2)	39,996,251	33,604,587
		<u>155,807,862</u>	<u>141,068,447</u>
Revenue from other sources			
- Insurance revenue		36,926,456	39,052,636
- Rental income		2,238,607	2,036,566
- Interest income		3,818,035	1,007,790
		<u>42,983,098</u>	<u>42,096,992</u>
Others			
- Less: Government surcharges		<u>(590,650)</u>	<u>(739,666)</u>
		<u>198,200,310</u>	<u>182,425,773</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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

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

	2023 RMB'000	2022 RMB'000 (Restated)
(1) Sale of goods:		
Pharmaceuticals and medical products	34,104,700	37,488,585
Properties	17,580,173	16,530,005
Gold and jewelleryes	36,726,694	33,071,111
Ore products	1,749,896	1,720,890
Oil and gas	1,754,965	1,577,917
Fashion products	7,886,167	4,444,024
New functional materials	453,787	-
Others	<u>15,555,229</u>	<u>12,631,328</u>
	<u>115,811,611</u>	<u>107,463,860</u>
(2) Rendering of services:		
Tourism	17,053,367	12,869,940
Healthcare	9,871,662	9,676,880
Property agency	246,889	225,618
Property management	1,496,100	1,612,579
Asset management	703,696	711,361
Fee and commission income	2,369,497	2,211,621
Others	<u>8,255,040</u>	<u>6,296,588</u>
	<u>39,996,251</u>	<u>33,604,587</u>

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

**Performance obligations**

Information about the Group's performance obligations is summarised below:

**SALE OF GOODS**

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery, or payment in advance is required in some cases.

**SALE OF COMPLETED PROPERTIES**

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. Otherwise, revenue is recognised at the point in time when the customer obtains the physical possession or the legal title of the completed property and the Group has the present right to payment and the collection of the consideration is probable.

**SERVICE INCOME**

The performance obligation is satisfied over time as services are rendered and the customer simultaneously receives and consumes the benefits. Short-term advances are normally required before rendering the services.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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

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

**Disaggregated revenue information**

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

**For the year ended 31 December 2023**

**Segments:**

	<u>Health</u>	<u>Happiness</u>	<u>Wealth</u>	<u>Intelligent</u>	<u>Total</u>	
			Asset	Manufacturing		
	RMB'000	RMB'000	Issurance RMB'000	Management RMB'000	RMB'000	RMB'000
<b>Type of goods or services</b>						
Sale of goods	33,673,756	65,280,775	1,872	4,107,438	12,747,770	115,811,611
Rendering of services	<u>11,751,097</u>	<u>23,105,379</u>	<u>526,463</u>	<u>4,527,417</u>	<u>85,895</u>	<u>39,996,251</u>
	<u>45,424,853</u>	<u>88,386,154</u>	<u>528,335</u>	<u>8,634,855</u>	<u>12,833,665</u>	<u>155,807,862</u>
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	33,673,756	65,280,775	1,872	4,107,438	12,747,770	115,811,611
Services transferred over time	<u>11,751,097</u>	<u>23,105,379</u>	<u>526,463</u>	<u>4,527,417</u>	<u>85,895</u>	<u>39,996,251</u>
	<u>45,424,853</u>	<u>88,386,154</u>	<u>528,335</u>	<u>8,634,855</u>	<u>12,833,665</u>	<u>155,807,862</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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

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

**Disaggregated revenue information**

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

**For the year ended 31 December 2022**

	<u>Health</u>	<u>Happiness</u>	<u>Wealth</u>	<u>Intelligent</u>	<u>Total</u>	
			Asset	Manufacturing		
	RMB'000	RMB'000	Issurance RMB'000	Management RMB'000	RMB'000	RMB'000
<b>Type of goods or services</b>						
Sale of goods	37,231,061	53,043,180	1,287	6,855,966	10,332,366	107,463,860
Rendering of services	<u>10,122,643</u>	<u>17,618,105</u>	<u>406,362</u>	<u>5,352,221</u>	<u>105,256</u>	<u>33,604,587</u>
	<u>47,353,704</u>	<u>70,661,285</u>	<u>407,649</u>	<u>12,208,187</u>	<u>10,437,622</u>	<u>141,068,447</u>
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	37,231,061	53,043,180	1,287	6,855,966	10,332,366	107,463,860
Services transferred over time	<u>10,122,643</u>	<u>17,618,105</u>	<u>406,362</u>	<u>5,352,221</u>	<u>105,256</u>	<u>33,604,587</u>
	<u>47,353,704</u>	<u>70,661,285</u>	<u>407,649</u>	<u>12,208,187</u>	<u>10,437,622</u>	<u>141,068,447</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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

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

	2023 RMB'000	2022 RMB'000 (Restated)
<b>Other income</b>		
Interest income	1,080,357	960,883
Dividends and interest from financial assets at fair value through profit or loss	1,762,873	1,699,729
Dividends from equity investments designated at fair value through other comprehensive income	159,312	145,737
Interest income from debt investments at fair value through other comprehensive income	2,453,216	2,099,712
Rental income	772,475	548,998
Government grants	956,689	788,809
Fee income relating to investment contracts	1,104,717	1,003,614
Others	<u>1,127,134</u>	<u>1,563,214</u>
	<u>9,416,773</u>	<u>8,810,696</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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

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

	2023 RMB'000	2022 RMB'000 (Restated)
<b>Gains</b>		
Gain on disposal of subsidiaries	1,606,965	1,253,732
Gain on bargain purchase of subsidiaries	-	306,277
Gain on remeasurement of previously held interests in step acquisitions of subsidiaries	-	1,408,718
Gain on deemed disposal of associates	106,147	35,337
Gain on disposal of joint ventures	311,177	468,590
Gain on disposal of items of property, plant and equipment	336,502	89,157
Gain on disposal of items of intangible assets	604,138	330,755
Gain on disposal of assets classified as held for sale	733,412	-
Gain on fair value adjustment of financial assets at fair value through profit or loss	2,068,203	-
Gain on fair value adjustment of investment properties	1,113,884	8,843,358
Gain on reversal of impairment of debt investments measured at fair value through other comprehensive income	-	120
Gain on rent concessions as a result of the COVID-19 pandemic	-	96,697
Exchange gain, net	-	162,871
	<u>6,880,428</u>	<u>12,995,612</u>
Other income and gains	<u>16,297,201</u>	<u>21,806,308</u>
Total revenue, other income and gains	<u><u>214,497,511</u></u>	<u><u>204,232,081</u></u>



**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**4. FINANCE COSTS**

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	RMB'000
Interest on bank and other borrowings (including convertible bonds)	12,262,788	11,568,294
Incremental interest on other long term payables	18,983	5,609
Interest on lease liabilities	<u>838,375</u>	<u>642,346</u>
	13,120,146	12,216,249
Less: Interest capitalised, in respect of bank and other borrowings	<u>(1,055,982)</u>	<u>(1,751,413)</u>
Interest expenses, net	12,064,164	10,464,836
Interest on discounted notes	10,047	9,440
Bank charges and other financial costs	<u>319,351</u>	<u>412,406</u>
Total finance costs	<u><u>12,393,562</u></u>	<u><u>10,886,682</u></u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**5. PROFIT BEFORE TAX**

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

	2023 RMB'000	2022 RMB'000 (Restated)
Cost of sales:		
Cost of inventories sold	85,844,409	73,177,657
Cost of services provided	<u>27,884,790</u>	<u>23,219,606</u>
	<u>113,729,199</u>	<u>96,397,263</u>
Insurance service expense	<u>30,204,086</u>	<u>35,406,066</u>
Staff costs:		
Wages and salaries	25,513,616	20,499,130
Accommodation benefits:		
Defined contribution fund	1,030,603	892,772
Retirement costs:		
Defined contribution fund	1,312,093	1,169,586
Defined benefit fund	80,905	103,667
Equity-settled share-based payments	<u>271,677</u>	<u>253,790</u>
Total staff costs	<u>28,208,894</u>	<u>22,918,945</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**5. PROFIT BEFORE TAX (continued)**

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

	2023 RMB'000	2022 RMB'000 (Restated)
Research and development costs	4,882,900	4,911,669
Auditor's remuneration	11,900	11,350
Depreciation of items of property, plant and equipment	3,936,784	3,589,760
Depreciation of right-of-use assets	3,271,188	2,670,621
Amortisation of mining rights	16,594	16,234
Amortisation of oil and gas assets	601,704	500,396
Amortisation of intangible assets	2,730,799	2,229,944
Impairment of financial assets, net:		
- Impairment of receivables	299,981	632,680
- Impairment/(reversal of) of debt investments measured at fair value through other comprehensive income	94,315	(120)
- Provision for loans and advances to customers	116,241	30,648
- Provision for impairment of debt investments at amortised cost	236,357	33,453
- Impairment of finance lease receivables	49,541	13,093
Provision for inventories	234,796	472,050
Provision for impairment of oil and gas assets	-	174,145
Provision for impairment of completed properties for sale	340,456	14,259
Provision for impairment of items of property, plant and equipment	47,256	57,870
Provision for impairment of investments in associates	904,641	1,908,093
Provision for impairment of intangible assets	144,525	149,703
Provision for impairment of right of use assets	36,985	3,882
Provision for impairment of properties under development	438,049	-
Provision for impairment of goodwill	76,196	197,511
Lease payment not included in the measurement of lease liabilities	364,348	346,215
(Gain)/loss on fair value adjustment of financial assets at fair value through profit or loss	(2,068,203)	1,767,538
Loss on disposal/partial disposal of associates	88,739	2,080,507
Loss on disposal of debt investments at fair value through other comprehensive income	341,614	235,429
Loss on derivative financial instruments	183,902	1,198,406
Exchange loss/(gain), net	<u>854,306</u>	<u>(162,871)</u>

\*There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. (2022: Nil).

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**6. TAX**

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The provision for income tax of Peak Reinsurance Company Limited (“Peak Re”) incorporated in Hong Kong acquired by the Group, is based on a preferential rate of 8.25% (2022: 8.25%).

The provision for income tax of Alma Lasers Ltd. (“Alma Lasers”), a subsidiary of the Group incorporated in Israel, is based on a preferential effective rate of 6.0% (2022: 6.0%).

The provision for income tax of Fidelidade - Companhia de Seguros, S.A., and its subsidiaries incorporated in Portugal, is based on a rate of 31.5% (2022:31.5%).

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France is based on a rate of 25.83% (2022: 25.83%).

The provision for income tax of Hauck Aufhäuser Lampe Privatbank AG (“HAL”) and its subsidiaries which was incorporated in Germany is based on a rate of 31.88% (2022:31.88%).

The provision for income tax of Gland Pharma Limited (“Gland”), which was incorporated in India, is based on a statutory rate of 25.17% in 2023(2022:25.17%).

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**6. TAX (continued)**

The provision for income tax of entities incorporated in the Chinese Mainland was based on a statutory rate of 25% (2022:25%) as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the Chinese Mainland, which were taxed at preferential rates ranging from 0% to 20%.

The major components of tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	2023 RMB'000	2022 RMB'000 (Restated)
Current - Portugal, Hong Kong and others	1,183,994	2,441,487
Current - Chinese Mainland		
- Income tax in the Chinese Mainland for the year	2,731,596	2,254,921
- LAT in the Chinese Mainland for the year	582,341	1,295,651
Deferred	<u>(1,973,350)</u>	<u>1,702,759</u>
Tax expenses for the year	<u><u>2,524,581</u></u>	<u><u>7,694,818</u></u>

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

During the year, the prepaid LAT of the Group amounted to RMB381,705,000 (2022: RMB405,959,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB305,679,000 (2022: RMB889,692,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, there was RMB105,043,000 LAT provision (2022: nil) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**7. DIVIDENDS**

	2023 RMB'000	2022 RMB'000
2022 final dividend declared in 2023		
– HKD0.014 per ordinary share		
(2021 final dividend declared in 2022		
– HKD0.3 per ordinary share)	<u>103,349</u>	<u>2,148,152</u>

A final dividend of HKD0.014 per ordinary share for the year ended 31 December 2022 was declared and approved by the shareholders at the annual general meeting of the Company on 9 June 2023, amounting to a total of approximately HKD114,869,000 (equivalent to RMB103,349,000).

The directors did not recommend the payment of an interim dividend in respect of the year.

On 27 March 2024, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2023 of HKD0.038 per ordinary share, amounting to a total of approximately HKD 311,720,000, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

**8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the share award scheme, and the weighted average number of ordinary shares of 8,174,151,086 (2022: 8,265,002,799) in issue during the year.

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

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)**

The calculations of basic and diluted earnings/(loss) per share are based on:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
		(Restated)
<u>Earnings/(loss)</u>		
Profit/(loss) attributable to ordinary equity holders of the parent	1,379,103	(831,803)
Less: Cash dividends distributed to the share award scheme	<u>(349)</u>	<u>(11,325)</u>
Adjusted profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	1,378,754	(843,128)
Cash dividends distributed to the share award scheme	<u>349</u>	<u>11,325</u>
Profit/(loss) attributable to ordinary equity holders of the parent, used in the diluted earnings/(loss) per share calculation	<u>1,379,103</u>	<u>(831,803)</u>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)**

The calculations of basic and diluted earnings/(loss) per share are based on (continued):

	Number of shares	
	2023	2022 (Restated)
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	8,174,151,086	8,265,002,799
Effect of dilution – weighted average number of ordinary shares:		
- Share award scheme	21,587,073	-
- Share option scheme	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	<u>8,195,738,159</u>	<u>8,265,002,799</u>
Basic earnings/(loss) per share (RMB)	<u>0.17</u>	<u>(0.10)</u>
Diluted earnings/(loss) per share (RMB)	<u>0.17</u>	<u>(0.10)</u>

*For the year ended 31 December 2023.*

The potential ordinary shares of the share option scheme are excluded from the calculation of diluted earnings per share, because the exercise price of the share option scheme is higher than the average market price of the ordinary shares of the Company for during the year ended 31 December 2023.

*For the year ended 31 December 2022.*

Because the restated diluted loss per share amount is decreased when taking the share award/option scheme into account, the share award/option scheme had an anti-dilutive effect on the basic losses per share for the year ended 31 December 2022 and were ignored in the calculation of diluted loss per share.



**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**9. TRADE AND NOTES RECEIVABLES**

	2023 RMB'000	2022 RMB'000
Trade receivables	13,676,040	12,298,558
Notes receivable	<u>738,126</u>	<u>901,893</u>
	<u>14,414,166</u>	<u>13,200,451</u>

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

	2023 RMB'000	2022 RMB'000
Outstanding balances with ages:		
Within 90 days	10,477,833	10,233,845
91 to 180 days	1,124,775	1,097,546
181 to 365 days	1,655,346	683,256
1 to 2 years	614,929	479,048
2 to 3 years	223,907	198,183
Over 3 years	<u>235,918</u>	<u>179,687</u>
	14,332,708	12,871,565
Less: Loss allowance for trade receivables	<u>656,668</u>	<u>573,007</u>
	<u>13,676,040</u>	<u>12,298,558</u>

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

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

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**10. TRADE AND NOTES PAYABLES**

	2023 RMB'000	2022 RMB'000
Trade payables	23,231,106	21,954,620
Notes payables	<u>3,176,564</u>	<u>2,438,972</u>
	<u>26,407,670</u>	<u>24,393,592</u>

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

	2023 RMB'000	2022 RMB'000
Outstanding balances with ages:		
Within 90 days	16,121,038	14,032,419
91 to 180 days	2,102,846	1,577,017
181 to 365 days	1,798,814	3,041,641
1 to 2 years	907,245	1,415,175
2 to 3 years	701,168	1,063,014
Over 3 years	<u>1,599,995</u>	<u>825,354</u>
	<u>23,231,106</u>	<u>21,954,620</u>

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

**11. LIQUIDITY INFORMATION**

The Group presents all assets and liabilities to being in order of liquidity in the consolidated statement of financial position. The Group further discloses the amounts expected to be recovered or settled no more/more than twelve months for each asset and liability line item in the table below.

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**11. LIQUIDITY INFORMATION (Continued)**

<b>As at 31 December 2023</b>	<b>Total</b>	<b>No more than</b>	<b>More than</b>
	<b>RMB'000</b>	<b>12 months</b>	<b>12 months</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
Cash and bank balances	92,459,644	91,809,939	649,705
Reverse repurchase agreements	6,844,927	6,844,927	-
Loans and advances to customers	16,097,595	15,055,121	1,042,474
Trade and notes receivables	14,414,166	14,414,166	-
Inventories	26,233,846	26,233,846	-
Completed properties for sale	16,598,108	16,598,108	-
Properties under development	46,776,244	43,699,045	3,077,199
Contract assets and other assets	229,266	229,266	-
Due from related companies	18,015,068	17,644,106	370,962
Prepayments, other receivables and other assets	31,953,684	25,958,636	5,995,048
Assets classified as held for sale	2,906,203	2,906,203	-
Placements with and loans to banks and other financial institutions	473,054	40,798	432,256
Derivative financial instruments	3,615,676	2,884,854	730,822
Financial assets at fair value through profit or loss	52,941,186	34,483,856	18,457,330
Finance lease receivables	699,545	246,067	453,478
Reinsurance contract assets	9,117,577	5,848,156	3,269,421
Insurance contract assets	1,803,797	1,246,787	557,010
Debt investments at fair value through other comprehensive income	72,473,645	7,645,481	64,828,164
Debt investments at amortised cost	29,400,296	9,799,024	19,601,272
Policyholder account assets in respect of unit-linked contracts	29,442,770	1,019,981	28,422,789
Equity investments designated at fair value through other comprehensive income	2,696,542	-	2,696,542
Property, plant and equipment	55,226,701	-	55,226,701
Investment properties	93,340,801	-	93,340,801
Right-of-use assets	23,852,435	-	23,852,435
Exploration and evaluation assets	542,140	-	542,140
Mining rights	1,311,399	-	1,311,399
Oil and gas assets	1,974,760	-	1,974,760
Intangible assets	36,790,363	-	36,790,363
Investments in joint ventures	12,584,076	-	12,584,076
Investments in associates	68,254,580	-	68,254,580
Goodwill	29,547,898	-	29,547,898
Deferred tax assets	9,769,597	-	9,769,597
<b>Total assets</b>	<b>808,387,589</b>	<b>324,608,367</b>	<b>483,779,222</b>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**11. LIQUIDITY INFORMATION (Continued)**

<b>As at 31 December 2023</b>	<b>Total</b>	<b>No more than</b>	<b>More than</b>
	<b>RMB'000</b>	<b>12 months</b>	<b>12 months</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
Deposits from customers	82,216,087	82,130,225	85,862
Assets sold under agreements to repurchase	188,063	188,063	-
Accounts payable to brokerage clients	990,853	990,853	-
Financial liabilities at fair value through profit or loss	6,697,408	6,697,408	-
Liabilities directly associated with the assets classified as held for sale	79,178	79,178	-
Trade and notes payables	26,407,670	26,407,670	-
Contract liabilities	19,865,129	19,540,492	324,637
Tax payable	13,148,210	13,148,210	-
Due to banks and other financial institutions	1,103,458	1,103,458	-
Derivative financial instruments	4,039,509	3,072,674	966,835
Accrued liabilities and other payables	74,582,013	46,096,804	28,485,209
Due to the related companies	2,199,034	789,550	1,409,484
Interest-bearing bank and other borrowings	211,923,910	95,368,247	116,555,663
Reinsurance contract liabilities	3,103,216	2,920,479	182,737
Insurance contract liabilities	62,811,295	19,902,067	42,909,228
Investment contract liabilities	37,583,333	5,037,346	32,545,987
Financial liabilities for unit-linked contracts	29,442,770	55,777	29,386,993
Due to the holding company	244,358	-	244,358
Deferred income	1,243,012	-	1,243,012
Deferred tax liabilities	21,944,245	-	21,944,245
<b>Total liabilities</b>	<b>599,812,751</b>	<b>323,528,501</b>	<b>276,284,250</b>
<b>NET ASSETS</b>	<b>208,574,838</b>	<b>1,079,866</b>	<b>207,494,972</b>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**11. LIQUIDITY INFORMATION (Continued)**

<b>As at 31 December 2022</b>	<b>Total RMB'000 (Restated)</b>	<b>No more than 12 months RMB'000</b>	<b>More than 12 months RMB'000</b>
<b>ASSETS</b>			
Cash and bank balances	100,564,000	100,071,263	492,737
Loans and advances to customers	16,162,944	15,092,528	1,070,416
Trade and notes receivables	13,200,451	13,200,451	-
Inventories	25,649,708	25,649,708	-
Completed properties for sale	15,028,738	15,028,738	-
Properties under development	62,079,128	56,611,465	5,467,663
Contract assets and other assets	610,268	610,268	-
Due from related companies	12,929,293	12,558,844	370,449
Prepayments, other receivables and other assets	35,442,321	29,963,768	5,478,553
Assets classified as held for sale	19,817,066	18,030,509	1,786,557
Placements with and loans to banks and other financial institutions	55,010	17,895	37,115
Derivative financial instruments	3,537,338	2,879,068	658,270
Financial assets at fair value through profit or loss	59,964,219	35,323,667	24,640,552
Finance lease receivables	789,562	331,208	458,354
Reinsurance contract assets	8,841,570	6,489,684	2,351,886
Insurance contract assets	1,775,046	1,044,031	731,015
Debt investments at fair value through other comprehensive income	63,534,884	9,592,013	53,942,871
Debt investments at amortised cost	25,171,823	10,283,828	14,887,995
Policyholder account assets in respect of unit-linked contracts	23,276,840	1,854,480	21,422,360
Equity investments designated at fair value through other comprehensive income	2,763,627	-	2,763,627
Property, plant and equipment	45,668,203	-	45,668,203
Investment properties	95,743,357	-	95,743,357
Right-of-use assets	21,297,657	-	21,297,657
Exploration and evaluation assets	584,684	-	584,684
Mining rights	480,763	-	480,763
Oil and gas assets	1,890,258	-	1,890,258
Intangible assets	34,278,110	-	34,278,110
Investments in joint ventures	9,903,075	-	9,903,075
Investments in associates	68,653,959	-	68,653,959
Goodwill	27,413,654	-	27,413,654
Deferred tax assets	9,268,677	-	9,268,677
<b>Total assets</b>	<b>806,376,233</b>	<b>354,633,416</b>	<b>451,742,817</b>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

**11. LIQUIDITY INFORMATION (Continued)**

<b>As at 31 December 2022</b>	<b>Total RMB'000 (Restated)</b>	<b>No more than 12 months RMB'000</b>	<b>More than 12 months RMB'000</b>
<b>LIABILITIES</b>			
Deposits from customers	76,935,942	76,849,980	85,962
Assets sold under agreements to repurchase	151,868	151,868	-
Accounts payable to brokerage clients	3,828	3,828	-
Placements from banks and other financial institutions	149,062	149,062	-
Financial liabilities at fair value through profit or loss	4,306,876	4,306,876	-
Liabilities directly associated with the assets classified as held for sale	117,467	117,467	-
Trade and notes payables	24,393,592	24,393,592	-
Contract liabilities	24,332,437	23,966,338	366,099
Tax payable	12,078,193	12,078,193	-
Due to banks and other financial institutions	1,141,108	1,141,108	-
Derivative financial instruments	3,148,743	2,120,706	1,028,037
Accrued liabilities and other payables	77,262,805	55,062,509	22,200,296
Due to the related companies	5,104,219	2,098,906	3,005,313
Interest-bearing bank and other borrowings	226,919,151	106,279,027	120,640,124
Reinsurance contract liabilities	3,517,286	3,053,692	463,594
Insurance contract liabilities	59,205,512	15,418,292	43,787,220
Investment contract liabilities	40,765,932	13,274,724	27,491,208
Financial liabilities for unit-linked contracts	23,276,840	109,810	23,167,030
Due to the holding company	122,606	-	122,606
Deferred income	1,231,069	-	1,231,069
Deferred tax liabilities	23,136,678	-	23,136,678
<b>Total liabilities</b>	<b>607,301,214</b>	<b>340,575,978</b>	<b>266,725,236</b>
<b>NET ASSETS</b>	<b>199,075,019</b>	<b>14,057,438</b>	<b>185,017,581</b>

**FOSUN INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2023**

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**12. EVENTS AFTER THE REPORTING PERIOD**

Up to the approval date of the financial statements, the Group had no subsequent events to be disclosed.

**13. COMPARATIVE AMOUNTS**

As stated in note 1.2, the comparative amounts have been restated to reflect the prior period adjustments relating to the adoption of HKFRS 17 and the change in the presentation of all assets and liabilities to being in order of liquidity.

## **CORPORATE GOVERNANCE**

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

### **AUDIT COMMITTEE**

As at the end of the Reporting Period, the audit committee of the Company (the “**Audit Committee**”) comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine. The main works of the Audit Committee, during the Reporting Period, included reviewing the relationship with the external auditors, reviewing the Company’s financial information and overseeing the financial reporting system, risk management and internal control systems of the Company, and providing recommendations and advice to the Board. The Company’s annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

### **AUDITORS**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Company’s external auditors to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Company’s external auditors in this respect did not constitute an assurance engagement according to the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Company’s external auditors on this preliminary announcement.

### **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held on Thursday, 6 June 2024. The notice of the AGM will be published on the websites of the Company ([www.fosun.com](http://www.fosun.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and despatched to the shareholders of the Company.



## **DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

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

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

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

## **REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

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

Details of the repurchase are summarized as follows:

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

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

## SHARE AWARD SCHEME

### 2015 Share Award Scheme

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

### 2023 Share Award Scheme

A new share award scheme has been adopted by the Company on 16 March 2023 (the “**2023 Share Award Scheme**”). For details of the 2023 Share Award Scheme, please refer to the circular of the Company dated 27 February 2023.

On 30 March 2023, the Board resolved to award an aggregate of 25,937,000 award Shares (the “**2023 First Award Shares**”) to 113 selected participants under the 2023 Share Award Scheme. Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the 2023 First Award Shares shall be transferred from the trustee, Computershare Hong Kong Trustees Limited (the “**Trustee**”), to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, the 2023 First Award Shares have been fully issued to the Trustee.

On 31 August 2023, the Board resolved to award an aggregate of 1,800,000 award Shares (the “**2023 Second Award Shares**”) to 17 selected participants under the 2023 Share Award Scheme. Subject to the satisfaction of the vesting criteria and conditions of the 2023 Share Award Scheme, the 2023 Second Award Shares shall be transferred from the Trustee to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, the 2023 Second Award Shares have been fully issued to the Trustee.

The purposes of the 2015 Share Award Scheme and the 2023 Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain the eligible persons to make contributions to the long-term growth and profits of the Group.

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

## **SHARE OPTION SCHEME**

### **2007 Share Option Scheme and 2017 Share Option Scheme**

The Company adopted a share option scheme on 19 June 2007 and it was expired on 18 June 2017 (the “**2007 Share Option Scheme**”). The Company adopted a share option scheme on 6 June 2017 and it was terminated on 16 March 2023 (the “**2017 Share Option Scheme**”). All outstanding options granted under the 2007 Share Option Scheme and the 2017 Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the relevant schemes. The purpose of the 2007 Share Option Scheme and the 2017 Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

### **2023 Share Option Scheme**

A new share option scheme has been adopted by the Company on 16 March 2023 (the “**2023 Share Option Scheme**”). The purpose of the 2023 Share Option Scheme is to provide incentives and/or rewards to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group. For details of the 2023 Share Option Scheme, please refer to the circular of the Company dated 27 February 2023.

The Board announced that on 30 March 2023, subject to the acceptance of relevant grantees, the Company has decided to grant 71,070,000 share options to subscribe for an aggregate of 71,070,000 Shares under the 2023 Share Option Scheme.

The Board announced that on 31 August 2023, subject to the acceptance of relevant grantees, the Company has decided to grant 190,000 share options to subscribe for an aggregate of 190,000 Shares under the 2023 Share Option Scheme.

As at 31 December 2023, the Company has granted accumulated 497,881,000 options to subscribe for an aggregate of 497,881,000 Shares under the 2007 Share Option Scheme, the 2017 Share Option Scheme and the 2023 Share Option Scheme, of which 302,716,350 effective options were outstanding except for those exercised, expired, lapsed or cancelled.

## **FORWARD-LOOKING STATEMENTS**

This results announcement includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on future events and 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.

## **ANNUAL REPORT**

This results announcement is published on the websites of the Company ([www.fosun.com](http://www.fosun.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report will be despatched to the shareholders of the Company and published on both websites on or before 30 April 2024.

## **GLOSSARY**

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

### **FORMULA**

EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortization
Interest coverage	=	EBITDA/net interest expenditures
Net interest expenditures	=	interest expenses, net + interest on discounted notes

Total debt = current and non-current interest-bearing bank and other borrowings

Total debt to total capital ratio = total debt/(shareholder's equity + total debt)

## ABBREVIATIONS

AmeriTrust	AmeriTrust Group, Inc.
Amgen	Amgen Inc., a company whose shares are listed on the NASDAQ with stock code AMGN
BabyTree	BabyTree Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01761
Baihe Jiayuan	Baihe Jiayuan Network Group Co., Ltd* (百合佳緣網絡集團股份有限公司)
BCP	Banco Comercial Português, S.A., a company whose shares are listed on the Euronext Lisbon with stock code BCP
Board	the board of Directors
Bohe Health	Bohe Health Technology Co., Ltd.* (上海薄荷健康科技股份有限公司)
Cainiao	Cainiao Smart Logistics Network Limited (菜鳥智慧物流網絡有限公司)
Cenexi	Phixen, <i>société par actions simplifiée</i>
CG Code	Corporate Governance Code contained in Appendix C1 of the Listing Rules
Club Med	Club Med SAS
Company or Fosun International	Fosun International Limited
Director(s)	the director(s) of the Company
Easun Technology	Shanghai Easun Technology Co., Ltd.* (上海翌耀科技股份有限公司)
EMEA	Europe, Middle East, and Africa
ESG	Environmental, Social and Governance
EUR	Euro, the lawful currency of the Eurozone
FC2M	Fosun/Family Client-to-Maker

FES	Fosun Entrepreneurship/Ecosystem System, a business management system with high management efficiency that continuously evolves in practice in order to build the core competitiveness of a time-honored enterprise and cultivate talents with Fosun's entrepreneurial spirit
Fidelidade or Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A.
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd.* (上海復星創富投資管理股份有限公司)
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司)
Fosun Kite	Fosun Kite Biotechnology Co., Ltd.* (復星凱特生物科技股份有限公司)
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun Sports	Fosun Sports Group S.à r.l.
Fosun United Health Insurance	Fosun United Health Insurance Co., Ltd.* (復星聯合健康保險股份有限公司)
Fosun Wealth	Fosun International Securities Limited (復星國際證券有限公司)
FTG	Fosun Tourism Group, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01992
Gland Pharma	Gland Pharma Limited, a company whose shares are listed on the National Stock Exchange of India Limited and BSE Limited with stock code GLAND
Group or Fosun or us	the Company and its subsidiaries
Guide	Guide Investimentos S.A. Corretora de Valores
Hainan Mining	Hainan Mining Co., Ltd.* (海南礦業股份有限公司), a company whose shares are listed on the SSE with stock code 601969
HAL	Hauck Aufhäuser Lampe Privatbank AG
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.

INR	Indian Rupee, the lawful currency of India
Intuitive Fosun	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司)
Intuitive Surgical	Intuitive Surgical, Inc., a company whose shares are listed on the NASDAQ with stock code ISRG
JEVE	Tianjin EV Energies Co., Ltd.* (天津市捷威動力工業有限公司)
Jianlong Shares	25.7033% equity interest in Tianjin Jianlong Iron & Steel Industrial Co., Ltd.* (天津建龍鋼鐵實業有限公司), 26.6667% equity interest in Jianlong Steel Holdings Co., Ltd.* (建龍鋼鐵控股有限公司), 26.6667% equity interest in Beijing Northern Jianlong Industrial Co., Ltd. *(北京北方建龍實業有限公司), 26.6667% equity interest in Janeboat Holdings Ltd.
Jinhui Liquor	Jinhui Liquor Co., Ltd.* (金徽酒股份有限公司), a company whose shares are listed on the SSE with stock code 603919
Kite Pharma	KP EU C.V.
Lanvin Group	Lanvin Group Holdings Limited (復朗集團), a company whose shares are listed on the NYSE with stock code LANV
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A.
Macau	the Macau Special Administrative Region of the PRC
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd. *(南京南鋼鋼鐵聯合有限公司)
NASDAQ	The National Association of Securities Dealers Automated Quotations
NYSE	The New York Stock Exchange
Organon	Organon LLC
PAREF	Paris Realty Fund SA, a company whose shares are listed on the Euronext Paris with stock code PAR
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.* (復星保德信人壽保險有限公司)
PRC or China	the People's Republic of China
Reporting Period	the year ended 31 December 2023
RMB	Renminbi, the lawful currency of the PRC
ROC	Roc Oil Company Pty Limited

Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd.* (北京三元食品股份有限公司), a company whose shares are listed on the SSE with stock code 600429
Shanghai Henlius	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a company whose shares are listed on the Hong Kong Stock Exchange with stock code 02696
Shanghai Zhuli Share(s)	Shanghai Zhuli Investment Co., Ltd.* (上海助立投資有限公司) the share(s) of the Company
Shede Spirits	Shede Spirits Co., Ltd.* (舍得酒業股份有限公司), a company whose shares are listed on the SSE with stock code 600702
Sinopharm	Sinopharm Group Co., Ltd.* (國藥控股股份有限公司), a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01099
Sisram	Sisram Medical Ltd, a company whose shares are listed on the Hong Kong Stock Exchange with stock code 01696
SSE	the Shanghai Stock Exchange
U.S. or the United States	The United States of America
USD	United States dollars, the lawful currency of the United States
Wansheng	Zhejiang Wansheng Co., Ltd.* (浙江萬盛股份有限公司), a company whose shares are listed on the SSE with stock code 603010
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城(集團)股份有限公司), a company whose shares are listed on the SSE with stock code 600655

By Order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

27 March 2024

*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. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui; the non-executive directors are Mr. Yu Qingfei, Mr. Li Shupeil and Mr. Li Fuhua; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.*

*\*For identification purpose only*